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# *The* **HIGH COST** *of* **STRIKES**

BY

**MARSHALL OLDS**

The author writes with full knowledge, from the inside, of the conditions controlling labor, both organized and unorganized. He has himself had years of experience as a working man. He tells us that he has never been an employer. He has endeavored in this volume to make clear the wasteful absurdity of strikes as a means of securing a just division of the proceeds of production. It is his contention also that the practice of adjusting labor questions by means of strikes is incompatible with the safety of the Republic. The measures that he suggests for such adjustment deserve and should receive the most careful consideration.

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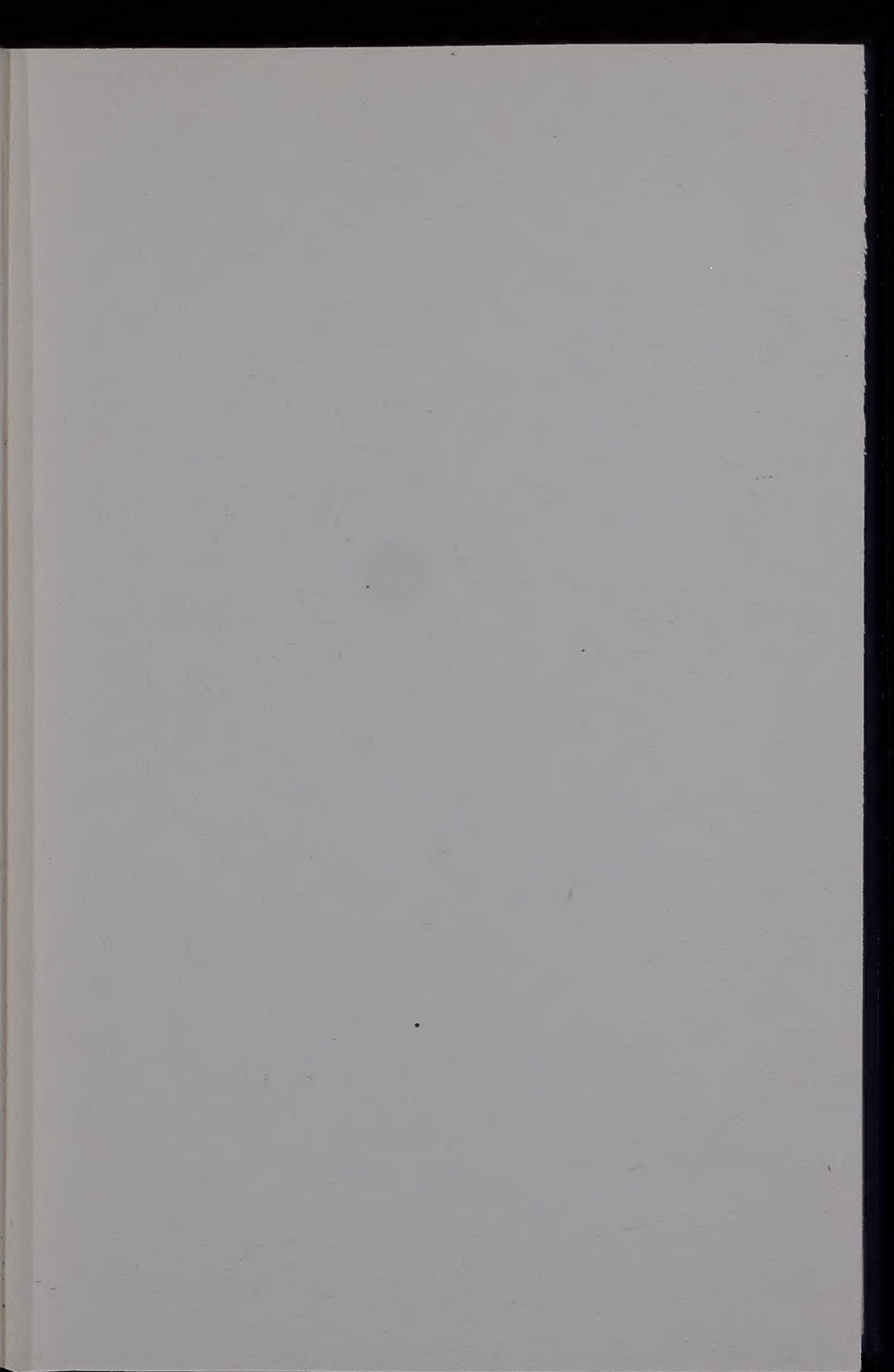


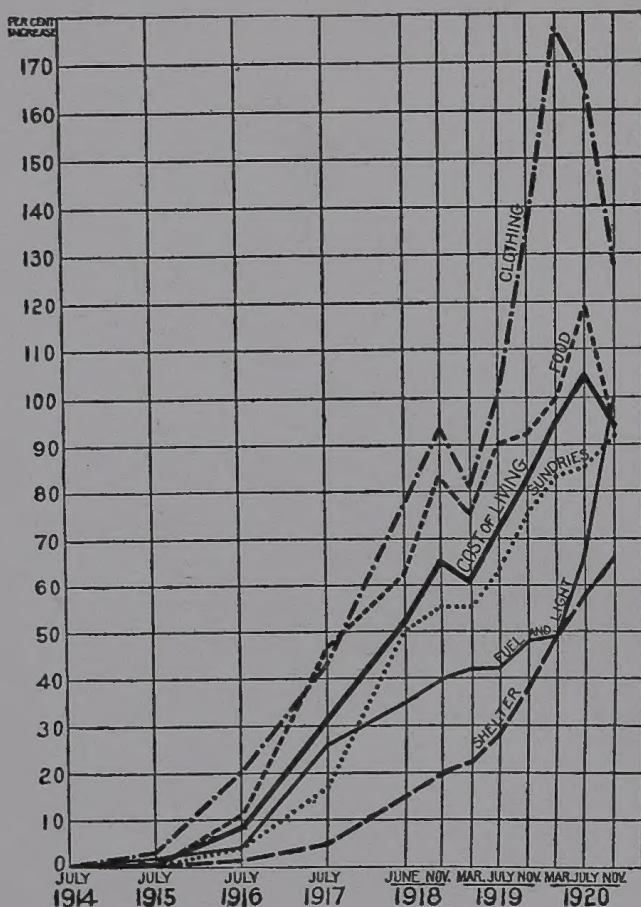
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PERCENTAGES OF INCREASE IN THE COST OF LIVING IN THE UNITED STATES, JULY, 1914, TO NOVEMBER, 1920

This table was prepared by the National Industrial Conference Board whose figures are regarded as standard and used by Federal Reserve Banks, the U. S. Railroad Administration, and other organizations which require the most reliable possible figures and data.

This table shows the cost of living—that is, cost of items of general commodities which enter into the average family living budget. It does not refer to the large balance of general commodities whose average rise has been materially greater than that of the particular items here shown.

The present curves closely parallel those prepared by other authorities and also closely parallel those prepared by the U. S. Department of Labor except for a period during 1920, in which case it has since been shown that the Department of Labor figures involve a demonstrable error which make them slightly too high for this period.

# The High Cost of Strikes

By  
Marshall Olds

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Marshall Olds

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TO THE MEMORY OF  
THEODORE ROOSEVELT

WHO FOUGHT  
CLASS PRIVILEGE, CLASS CONSCIOUSNESS,  
AND SIMILAR ANTI-AMERICANISM  
WHEREVER HE FOUND IT



## PREFACE

THE author has been a laborer—on a farm, as assistant in a railroad repair shop, as a dock walloper, as working boss of a gang, and as an assistant machinist. Except for hiring his own stenographer and occasionally an assistant, he has never been an employer.

The author's fundamental point of view in regard to the modern labor problem is that the man who, with his hand and brain, creates the production which is necessary to the very existence of society, deserves his full share not only of pay but of recognition and opportunity from society. He particularly believes therefore that the industrial worker is too valuable a citizen to be allowed to remain, or to allow himself to remain, in any sense a member of a class apart.

The western farmer once regarded himself as a member of a class apart. For years through the Granger movement and various other class organizations, he fought both politically and economically for special considerations and special privileges—

to advance his own interests as a member of his class irrespective of the interests of the rest of the country. But the farmer to-day occupies his enviable economic status, not as a result of class effort but because the growth of the nation developed an increasing demand for his services and his products, and because, forgetting class theories, he put his whole energy into cashing in on the opportunity which national progress offered him.

The early history of the Brotherhood of Locomotive Engineers was marked by the same attitude of class antagonism—with strikes and threats of strikes, as has continued to mark the policy of many other labor organizations. But locomotive engineers have not had a strike for a generation and they occupy a recognized position as the aristocrats of labor to-day, not because they have demanded special class consideration, but, on the contrary, because they have adopted the policy of skilling themselves individually to keep pace with railroad progress—to accept more responsibility—to deliver a more valuable service. In other words, they have recognized the opportunity which American railroad progress offered, they have made good on that opportunity and their advancement has chiefly come just exactly as it comes to the average other American—because he makes increasingly good on his job.



American industry as a whole has been making tremendous progress in the last decade, not only materially but particularly psychologically. There is no question that there was a time when many American employers were so engrossed in creating the machinery and organizing the materials of modern industry that they were prone to look upon the laborer as more or less of a machine and labor as merely a commodity. But as mechanical equipment began to approach its limits of efficiency, the average employer came more and more to realize again the value of the human equation in industry and the importance of individual skill in production.

For a generation, evidences of efforts on the part of employers to increase the individual skill and productivity of their workers—by voluntary raises in wages in proportion to production, by bonuses, by sharing profits, by stimulating labor's ambitions for better living condition, by education, and by many other means, have conspicuously multiplied. Shortage of labor during the war, and the exigencies of the war brought these efforts to a culmination in which industrial management adopted a nationwide policy of developing every means to make it possible for the individual worker to produce more and to be paid in proportion to his production.

In other words the war established on a nation-

wide scale the soundness of the policy which the farmer, the Brotherhood of Locomotive Engineers, and many other individual labor groups had already proved out, and which the whole development of industry in general was already conspicuously working towards, namely: that, considering the increasing progress of our whole nation, with its constant demand for more and more of every kind of product, its constant need for more and more skilled men and higher skill in the individual man, its constant substitution of machinery for mere brawn which tends to free the unskilled worker to move up into the skilled class, all industry and therefore industrial labor, has its biggest, surest opportunity for permanent advancement through mutual co-operation in increasing production to meet our increasing national demands.

This is of course the exact opposite of the theory of the professional labor leader as to labor's proper method of advancement. He persistently holds that labor is a class apart which can progress only by standing together as a class and fighting for special class privileges and consideration. He blindly assumes that industrial management has not advanced for thirty years and therefore still insists that labor's interest is inherently and entirely antagonistic to the interest of the rest of industry. He ignores

the constant growth of the country and the constant demand for more and more products and still insists that only through less individual skill and less individual production can the increasing number of workers continue to find occupation. His entire reliance therefore for labor's advancement lies in powerful labor organizations which are able to force, irrespective of skill or production or the interests of industry or the rest of the country, labor's advancement as a class through strikes or threats of strikes.

During and after the war, because of our labor shortage and other circumstances, the professional labor leader was able to climb into the saddle. For nearly two years he dominated the labor situation and on a conspicuous nation-wide scale carried his theories to their logical conclusion.

The average American knows in a general way that the strikes and labor unrest after the war were big contributing factors in the high cost of living. Labor itself knows that its wages, which strikes sent up like a skyrocket soon began to come down like the stick. But the very fact that this demonstration of the professional labor leaders' theories has so conspicuously raised the cost of living—the fact that it has brought wage advances that were merely temporary—the fact that it has led to making the labor question a conspicuous national, economic, and even

political issue—all argue the importance to both labor and the public of having more than a mere general idea of what this demonstration actually showed.

The present volume is in no sense a condemnation of labor organizations or unions as such. The Brotherhood of Locomotive Engineers and other groups of labor which have sought their advancement along similar lines have always maintained strong organizations. The very position of labor makes the right kind of organization generally desirable and often necessary. Nor is any attempt made to deny to labor the same right which is possessed by every other competitive interest in industry, that of competing, and when necessary, of fighting for its legitimate advantages by every legitimate means.

What is attempted is to analyze, as specifically as possible, the costs to the public and to labor itself of the strike epidemic which followed the war and to show, as concretely as possible, the results, to labor, to industry, and to the whole country, of the theories of the professional labor leader for the advancement of labor as they have logically worked themselves out in this most conspicuous large scale demonstration of those theories.

M. O,

NEW YORK CITY, March 1, 1921.



## SPECIAL NOTE

THE present volume has been largely built on a series of articles which appeared in the *New York Tribune* in October, 1920, and in *Leslie's Weekly*. Its main facts and arguments have therefore not only already received a wide reading and criticism from widely divergent points of view, but have been tested by certain conspicuous subsequent events.

The facts brought out, for instance, and the deductions drawn in Chapter III—"Strikes and the High Cost of Rent"—were sweepingly condemned by certain obviously interested critics as grossly exaggerated and as constituting a vicious and unwarranted attack on labor organizations in the building trade. The subsequent Lockwood Investigation of building conditions in New York, however, has shown conclusively that this chapter constituted a most conservative statement of conditions as they actually existed.

Certain sympathizers with the clothing workers wrote repeatedly, sweepingly denying and condemning the author's statements as to facts and motives

and policies of the Clothing Union officials. Yet a well-known radical union leader in this field admitted freely that these same statements and deductions were at least in general true and were entirely warranted from the point of view of modern industrial organization; but added, that of course the very object of such strikes and the very purpose of these unions, as expressed in their constitutions, is to break down modern industrial organization.

A well-known radical labor leader and union official of the so-called "intellectual" type, while he agreed as labor leaders in general will not, with the author's basic conclusions as to the importance of production, not only in the after-the-war strike but in the whole modern labor situation, sweepingly criticized the whole point of view of the present volume as to labor's necessary means of advancement as "fifty years behind all modern progressive thinking on this subject." The author is entirely conscious that the basis of many of his conclusions goes back even further than this in human thought and experience. As a matter of fact it is his fundamental conviction that one of the chief reasons for the acuteness of the modern labor problem is the very fact that there has been too much straining after special "modern" theories in regard to industrial relations, with too much straining to fit our industrial conditions into

these special "modern" theories, and too little consideration of the whole problem in the light of certain basic principles of all human experience.

It is also his conviction that what the labor union movement, begun in Europe and largely developed on eastern European theories, needs more than anything else at the present time is to look back and check its theories and practices with the basic principles to which western, and particularly American civilization and progress owe their success.

The criticism has been frequently made that the author has not given sufficient weight to the influence of inflation and other obvious contributing factors to high prices in general, and at most has merely touched on particular contributing factors in his discussion of certain specific high prices. Certain economists for instance who fully agree that lessened production was the basic cause for after-the-war increases in prices and that strikes were the basic reason of this lessened production have yet felt that such constant emphasis on even the basic factor with only casual reference to other factors fails to give a true picture of the whole situation.<sup>1</sup>

<sup>1</sup> In his nine-page review of the *present argument* as it appeared in the *New York Tribune* (see *American Federationist* for November, 1920), the only *specific and valid criticism* which Mr. Samuel Gompers makes is this same one that from the point of view of general causes of high prices the argument does not give relative consideration to other contributing factors.

Two special chapters were prepared for the original New York *Tribune* series which did deal in much greater detail with inflation, profiteering, over-speculation, over-spending, competition for labor and similar contributing factors to high prices. But it was felt by others at that time, and the author still feels, that while such chapters would of course be necessary to any broad general discussion of high prices themselves, that they are not necessary and would merely interfere with and divert the development of the present argument which is not in regard to the general causes of high prices but is specifically devoted to pointing out and emphasizing that and why non-production due to strikes was the *basic cause* of high prices after the war.

Many critics have appeared who have denounced the author's statements as to motives of certain labor leaders and labor policies by quoting public utterances of these same labor leaders to the contrary. No one who is familiar with Mr. William Z. Foster's book, *The Great Strike*, dealing with his own attempts to organize the steel industry, in which he constantly speaks of his "flank attacks," his "camouflage," his "feints to cover secret attacks," and otherwise frankly glorifies the most unscrupulous forms of deception—no one who is familiar with the influence of radicalism in labor politics and its frankly admitted Soviet



policy of the ends justifying any means, can fail to realize that in many cases it is impossible to get at the truth without going back of public statements and obvious maneuverings of the labor leader and judging facts and motives and policies on the basis of his acts.

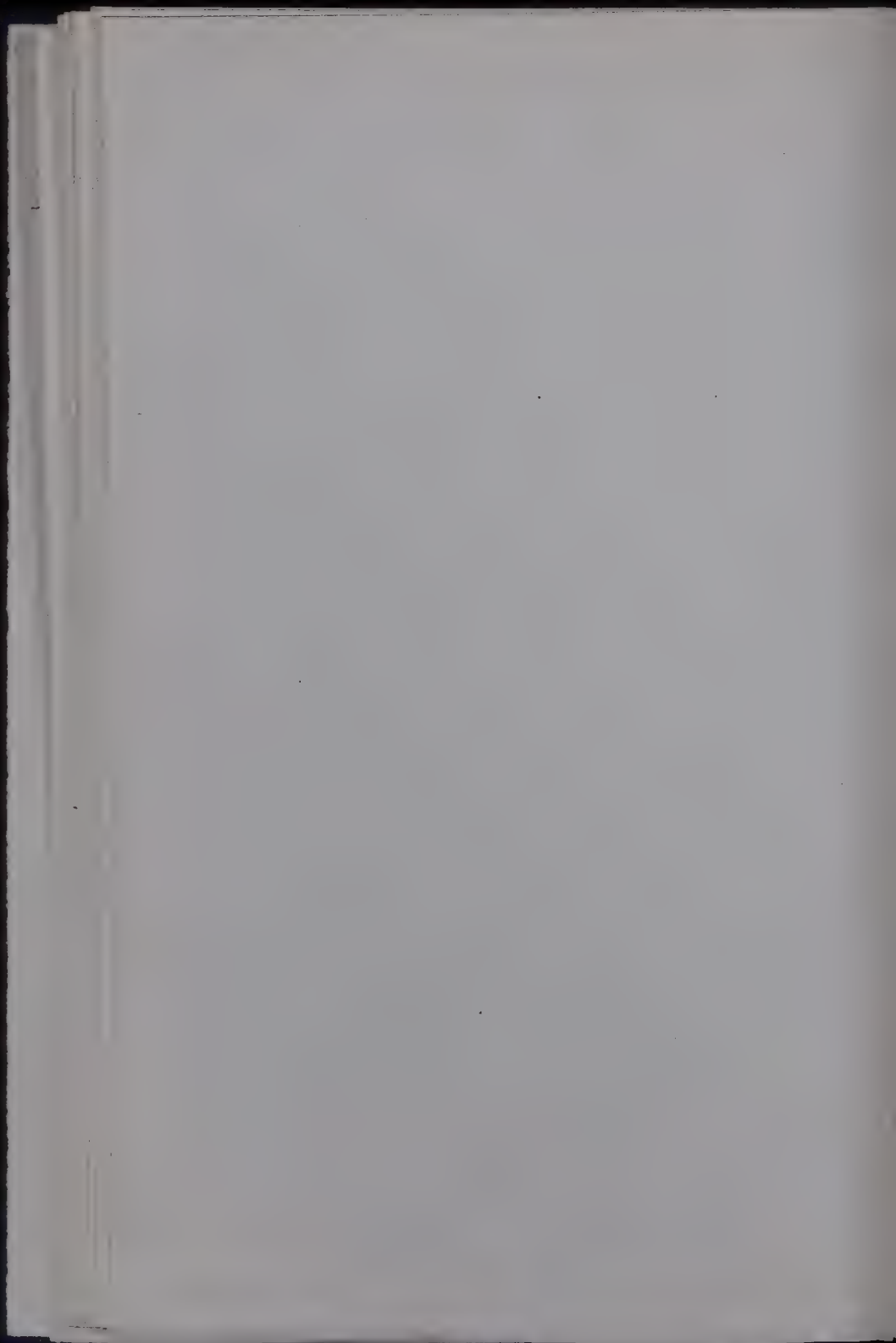
In thus educing motives and policies on the basis of acts, the author has used every effort to be conservative. As a matter of fact, there is little question that in many cases, if all the facts were known, the actual conditions would prove, just as they did in the building trade, to be far more extreme than the author's statement of them.

The present volume as a whole, and particularly those sections devoted to interpretation and deduction, as distinct from mere statement of fact, have been discussed in detail with many men of many points of view—employers, economists, financial and legal experts, labor leaders, radicals, and many workers, both union and non-union.

This assistance, in some cases involving a very considerable amount of time, constitutes a contribution of whose value the author wishes to express full acknowledgment and appreciation.

M. O.

NEW YORK CITY, March 1, 1921.



## CONTENTS

| CHAPTER  | PAGE |
|--|------|
| I.—STRIKES AND THE HIGH COST OF FOOD                                 | 3    |
| II.—STRIKES AND THE HIGH COST OF<br>CLOTHING . . . . .               | 16   |
| III.—STRIKES AND THE HIGH COST OF RENT                               | 26   |
| IV.—THE HIGH COST OF STRIKES TO LABOR                                | 41   |
| V.—STRIKING AT THE NERVE CENTERS OF<br>INDUSTRY . . . . .            | 50   |
| VI.—STRIKES AND INEFFICIENT DISTRIBUTION<br>OF LABOR . . . . .       | 62   |
| VII.—STRIKES AND THE HIGH COST OF LIVING                             | 73   |
| VIII.—WHAT ARE STRIKES GAINING TO OFF-<br>SET THESE LOSSES . . . . . | 85   |
| IX.—OUTLAW STRIKES—MANIA STRIKES—<br>GRAFT STRIKES . . . . .         | 93   |
| X.—STRIKES FOR HIGHER PAY AND<br>SHORTER HOURS . . . . .             | 102  |
| XI.—THE HIGH COST OF FUTILE STRIKES .                                | 115  |
| XII.—THE HIGH COST OF STRIKE "VICTORIES"                             | 128  |

## Contents

| CHAPTER   | PAGE |
|---|------|
| XIII.—STRIKES AS MERE INCIDENTS IN FIGHTS<br>FOR PERSONAL POWER . . . .                             | 144  |
| XIV.—STRIKING FOR MONOPOLY DOMINATION<br>BY A CLASS OF EVERYBODY'S NECES-<br>SARIES OF LIFE . . . . | 157  |
| XV.—STRIKES AND RADICALISM . . . .  | 177  |
| XVI.—STRIKING AT THE ROOTS OF AMERICANISM   | 193  |
| XVII.—SUMMARY OF FACTS . . . .  | 205  |
| XVIII.—WHAT ARE WE GOING TO DO ABOUT IT?  | 216  |
| XIX.—MAKE LABOR OBEY THE LAW . . .  | 237  |
| XX.—AT THE BAR OF PUBLIC OPINION . .  | 256  |

## The High Cost of Strikes





# The High Cost of Strikes

## CHAPTER I

### STRIKES AND THE HIGH COST OF FOOD

How much did you pay for potatoes in April, 1920? The price of potatoes throughout the whole North-eastern section of the country was raised at that time over four dollars more per barrel—and if you live in this section, you paid over four dollars more per barrel—because of one specific strike.

From February till June, 1920, if you live in this section, you paid about twice as much as you need have paid—twice as much as you would otherwise have paid—for all your fresh vegetables, also entirely on account of a strike.

Many people throughout the country during and after the war sought relief from the high price of meat by eating fish—but the price of tuna went up fifty per cent. in 1919 and thirty-five per cent. more in 1920 because of two strikes.

Thousands of people of New York have had to pay

## 4            The High Cost of Strikes

three cents more for every can of tomatoes and other canned goods because of another strike.

Strikes have been one of the biggest factors in the high cost of sugar. In one instance one strike alone sent the price of sugar up eight cents a pound, and it is probable that altogether you paid double that extra on every pound of sugar you bought in February to May, 1920, because of strikes.

And this is just on the sugar you, yourself used. The cost of the sugar the preservers and canners used made you pay a thirty-five per cent. advance, even over the big raise of 1919 for 1920 preserves.

We all paid more for peaches and other fruits in the summer of 1920 than ever before—the primary cause goes back to a strike. Easterners for months during the same summer had to pay more for meat, directly due to strikes. And in the same way it can be shown specifically that labor as well as the rest of us—that overworked women and underfed children as well as profiteers—had during the whole first two years after the war to pay exorbitant and otherwise wholly unnecessary high prices for a hundred and one other products, that all of us had to have or suffer without, directly and specifically because of some strike or series of strikes.

One of the most important developments in the last decade—one that has contributed very much

## Strikes and High Cost of Food 5

not only to keeping the cost of living down but in raising the standards of living in all the Northern section of our country—has been the rise of the fruit and vegetable growing industry in the Southern States. Formerly people in the Northern sections of the country were limited during a large part of the winter months to the few fruits and vegetables that could be carried over in cellars from the previous summer, and which not only furnished the meagerest diet of this kind, but which, in proportion as they were consumed or spoiled, rose higher and higher in price. The development of fruit and vegetable growing in the South has meant that from January on Northern markets have been supplied with an ever-increasing variety of all kinds of palatable and healthful products, which each year tended to become cheaper in proportion as the supply grew, till even the poorest among our population have been able to reform the family diet on a more healthful and palatable basis.

The main arteries which supply this important food element to our millions of families in the North East are the Clyde, Mallory, and Old Dominion Steamship lines. Early in 1920 the dock workers of each of these lines struck. Following the usual practice of modern strikers of striking just when they could influence their employers most by pinching

the public hardest, and in spite of the fact that they had a wage agreement with six months still to run, the dock workers on each line planned this strike for just the time when the Southern vegetables for the Northern market were beginning to arrive on the dock from their particular section.

These dock laborers, who in the South were chiefly negroes, and in the North almost entirely foreigners, had been receiving \$35 a week for nine hours a day. They struck for \$44 a week, eight hours a day, four hours on Saturday, and \$2 an hour for all overtime. These three steamship lines were on record with the Interstate Commerce Commission as having been run at a net loss of over \$6,000,000 in 1919, so that any increase in wages had to depend on an allowance by the commission of an increase in freight rates. It is not proposed to go into the ethical phases or the justice of such a strike here, but this is sufficient to indicate that at least this strike was not forced on labor by unbearable wages or conditions.

By April this strike had so diminished New York's supply of potatoes that a special attempt was made to get a cargo of potatoes through. The cargo was brought safely to the Spring Street dock—to within a few hundred yards of the commission warehouses, and to within a mile of New York's biggest public markets. But the less than three hundred strikers

## Strikes and High Cost of Food 7

not only refused to handle these potatoes themselves but in spite of the interest and the need of the whole population of New York succeeded through intimidation and other methods familiar to the public in preventing their being removed these few hundred yards by any other means.

Finally a lighter was secured and the potatoes moved aboard it without the knowledge of the strikers. The lighter was then towed down the river and up Newark Bay to Harrison, N. J. The potatoes were here taken from the lighter to the Erie Railroad by truck and sent in to New York as Jersey freight. These extra and special operations cost a little over four dollars a barrel, but the shortage of potatoes at the time was so acute that the New York market eagerly absorbed them even at this tremendously higher cost.

As soon as the strikers from these boat lines started and the normal arteries for supplying one of New York's chief food necessities were closed it was necessary of course to fall back on the railroads from the South. But these, because of strikes of their own, lack of equipment, and other disorganization which had lasted over from the war, were having the utmost difficulty in taking care of their own traffic, including the Southern vegetable crop for the inland cities of the North, and were in no way prepared

to bear this immense and unexpected volume of extra traffic.

Moreover it is absolutely necessary for fruit and vegetables to be handled with the utmost dispatch, and this these railroads were entirely unable to do. It was necessary, therefore, to load these fruit and vegetables into any kind of freight cars that could be secured—generally without any chance for icing—and then to pay not ordinary freight, but special express rates, in order to rush them to market. Yet even with all these precautions, literally hundreds of cars of fruits and vegetables reached the North in such a spoiled condition that they had to be dumped immediately into the city garbage dumps.

Due thus directly and entirely to this strike of a few hundred dock laborers and to no other cause, hundreds of thousands of families throughout the Northern section of the country had to pay, according to all competent estimates, often at least one hundred per cent. more for all the fruit and vegetables they bought during the whole spring of 1920.

Moreover, the indirect results—in the shortage and so in the higher prices of all the other commodities which the Southern railroads could not handle because they handled this normal boat business—all the other indirect results which always follow any such general upsetting of the normal operation of industry,



## Strikes and High Cost of Food 9

though they cannot be estimated, unquestionably ran up the real cost of this strike to the public far higher even than this.

"Eat more fish" was one of the slogans of the war, and numerous government bulletins emphasized to the whole country the specially healthful and palatable qualities of tuna fish until it has become, even in these few years, almost a staple product of national consumption.

Tuna fish are caught and canned or otherwise preserved chiefly along the coast of California, where an important new industry has been started by their increased general popularity. The tuna fish comes to the California coast in great schools during a certain limited season of each year, the fishers and canneries being occupied the rest of the year in catching and preparing sardines and other fish.

Now there are few sections in the country in which the general cost of living, according to the best official figures, had gone up even by the summer of 1920 when prices reached their peak, more than 116 per cent. over 1914. In California it had gone up very much less than this. Yet in 1919, just as the tuna fish began to run, the California fishermen struck for a five hundred per cent. raise in wages and stayed on strike till after the schools of tuna fish had left. As a result there was practically no tuna fish packed that year

## 10      The High Cost of Strikes

and the demand throughout the country put the price up about fifty per cent. The price of sardines and other fish handled in the same industry was of course also more or less seriously affected.

Again in 1920 just as the tuna fish began to run the fishermen struck. Again also for a 500 per cent. increase in wages, but they finally compromised on a 350 per cent. increase. This necessitated a still further advance of 35 per cent. in the price of tuna fish. In other words, all the rest of us whose incomes did not even keep pace with the high cost of living had to pay 85 per cent. more for our tuna fish simply and solely because certain California fishermen decided to use the weapon of the strike to increase their own incomes over four times their increased cost of living.

Authorities do not agree as to just which was the most important and which was only the second most important contributing factor to the high cost of sugar. There are those who say that the honor of being the primary cause goes to an arbitrary war government which handled the sugar situation with far more regard to the feelings of certain Southern politicians than with regard to the pocketbooks of the rest of the nation. Others maintain that the trouble started when a fully developed, high-powered modern strike bacillus, escaping from warring civilization,

## Strikes and High Cost of Food 11

strayed in some unaccountable way into the jungles of Cuba.

For years the dark-skinned gentleman, who since the end of revolutionary days have used their wide-famed machetes in the peaceful occupation of cutting sugar cane, had been paid at the rate of fifty cents per one hundred arrobas, of about twenty-five pounds each, for this work. Since, however, the modern strike bacillus found its way into Cuba, he receives \$1.50 for the same work. As a result the first cost in the production of sugar went up three hundred per cent.

But in the center of Cuba everything grows wild, the social demands are limited, and the local equivalent for our high cost of living could be very comfortably maintained with only an ordinary amount of work at fifty cents per one hundred arrobas. At \$1.50 a hundred arrobas it could of course be maintained with only one third as much work. And who can blame this poor backward Cuban if he was immediately seduced by a very popular modern labor doctrine and promptly refused to work more than one third of the time? Or who can blame him if he refused to worry because his loafing on the job still further increased the price of sugar to some unknown Northern gringo?

Moreover, the modern strike bacillus, as we know

too well, also refuses to stay put. He soon got to work among the railroad operatives who transport the sugar to the port; among the dockmen who load the sugar; he followed on up into the sugar refineries of America.

During January, 1920, there were seven separate and distinct strikes that handicapped production or distribution and so increased the price of sugar. Four of these strikes continued into February and four new ones were begun. Four of these extended over into March, and twelve new strikes were begun in March. Six of these continued over into April and five new ones began in April, all of which, both old and new, continued into May. Meanwhile the price of refined sugar advanced from  $13\frac{3}{4}$  cents a pound the first of March to  $22\frac{1}{4}$  cents a pound by the end of May.

Moreover, in addition to these general facts as to the relation between strikes and the increased cost of sugar there are any number of isolated instances where strikes have resulted directly in sending the price of sugar still higher. For instance, during the outlaw railroad strike around Pittsburgh, sugar was twenty-two cents a pound in all the surrounding territory, but because no new supply could be moved into Pittsburgh sugar went up and stayed up to thirty cents a pound as long as this strike lasted.

## Strikes and High Cost of Food 13

There was no shortage of sugar in 1920. More sugar was produced and Americans consumed more sugar than at any other time in our history. Our per capita consumption, for instance, was 79 pounds in 1913 and 78 pounds in 1914. It went down to 73 pounds during the war in 1918. On the other hand, it was 85 pounds per capita in 1919, and was running at the rate of 87 pounds per capita during this period of 1920.

Moreover, not only was there no shortage of sugar, but it can be very definitely said that the producers of sugar were not profiteering. For every detail of their costs and selling prices was on file in the United States Department of Justice. One practical authority on sugar conditions who would not allow himself to be quoted said in July that he "estimated" that directly and indirectly "strikes" were costing the American people over fifteen cents on every pound of sugar they were then buying. Certainly the definite facts and figures seem to indicate that this estimate was reasonable.

These specific facts as to the effect which strikes and strikes alone had in increasing, and often increasing exorbitantly, the price of every kind of food product can be multiplied again and again. The strike itself may often have been far away and at an entirely different time from the increase of price, yet

be directly responsible for it. The strike may often have been for only a few days' duration, yet directly increased the price of a whole season's output.

Michigan frequently has a grasshopper pest in July, against which farmers protect their crop by a special spray. In 1920 railroad strikes around Chicago prevented this spraying material from being delivered and Michigan farmers in the Lansing district alone lost their root crop to the extent of one million dollars. Of course the consumer paid for this loss in the higher prices of beets and carrots and turnips.

The same railroad strike at the big distributing centers held up material with which fruit growers all through the Middle West spray their trees in May and June. Three months later the fruit crops in these sections were so limited and poor that all of us had to pay January prices for fruit right through August and September.

And parallel examples of how strikes were the direct and sole cause of definite and big increases in the prices of meat and butter and rice and eggs and milk and practically every other necessity of life could be cited almost indefinitely.

Moreover, it must be clearly understood that all these represent only the direct effect of such strikes, and only of strikes which have had a direct and



## Strikes and High Cost of Food 15

traceable effect on prices. The indirect effects have in many cases undoubtedly been even greater.

Again, it must be remembered that labor itself is the biggest buyer of food products in the country.

The question cannot help but occur: Does labor itself, does the average American worker, really know or realize how much it cost, not only the country as a whole, but how much it cost him, because some few or few hundred fellow workmen, somewhere in the country, casually decided to go on a strike?

## CHAPTER II

### STRIKES AND THE HIGH COST OF CLOTHING

WHEN you had to pay \$55, \$65 or \$75 for a suit of clothes during 1919 and 1920, about \$20 to \$30 of that price was due to strikes.

Men's shirts went up out of all proportion to their increased cost of production and to the increased cost of other articles. The extra difference was because of strikes.

Laboring men in 1920 had to pay four times as much for their overalls as in 1913, and about twice as much as in 1919. The chief reason was strikes by other laboring men.

Certain cotton cloth went up nine cents a yard on account of one strike.

Several hundreds of millions of yards of gray cloth went up five cents a yard entirely because of strikes.

Scores of millions of yards of many kinds of the dress cloth made in the Providence district went up one hundred per cent. entirely because of strikes.

Moreover these increases of nine cents a yard and five cents a yard and one hundred per cent. apply

## Strikes and High Cost of Clothing 17

merely to increased costs caused by strikes that affect factory production. They apply only to factory prices. Railroad strikes, dock strikes, teamsters' strikes, and many other strikes have further so handicapped or held up the distribution and sale of those goods that you, the ultimate consumer, often had to pay many times this much extra.

When the war ended, America began the task of demobilizing four million men, most of whom had been out of civilian life from one to two years. All the men and women who had anything to do with the discharged soldier, from demobilization officers to Salvation Army doughnut girls, will tell you that the discharged soldier in general—and four million families will tell you that their discharged soldier in particular—had just two ideas when he got out of the army: First, to get some good home cooking again, and, second, to get back into a nice new suit of civilian clothes.

During 1919 America needed, therefore, at least four million suits of clothes more than it needed the year before. As a matter of fact, it got just four million<sup>1</sup> suits less than the year before, or some eight million suits less than it needed, because of a series of

<sup>1</sup> This figure, furnished by officers of the Clothing Manufacturers' Association, is confirmed by multiplying the 7,600,000 working days lost through strikes in the clothing industry in 1919 (National Industrial Conference Board figures) by the average production per day per worker.

strikes that tied up practically the whole clothing industry the spring of that year.

The facts about labor conditions in the clothing industry have rather frequently come to public attention in the past. It is generally known that while designers and cutters and such skilled workmen receive exceptionally high wages, the great bulk of the work used to be done under what is popularly known as sweatshop conditions by a very low grade of labor—largely recently arrived or unassimilated foreigners, both men and women, most of whom have been too physically or technically inefficient to do other kinds of better grade work.

Unquestionably labor conditions in the clothing field had been in crying need of readjustment for many years before the war. But the great sudden war demand for uniforms and other articles of clothing, with its corresponding demand for labor, had brought such a large measure of readjustment in this field that before the end of the war, the chief evils of the sweatshop system had disappeared and the most ordinary clothing worker was receiving from twenty-five dollars to thirty-five dollars a week.

During the war, but when its end was already in sight so that the demand for a greatly increased production to meet the needs of the millions of soldiers about to return to civil life was perfectly obvious, the

## Strikes and High Cost of Clothing 19

clothing workers struck for a forty-four hour week and other production concessions—which would and did decrease production at least thirty-five per cent., and in addition for a wage increase which doubled even their high war pay.

Instead, therefore, of the production of the four million additional suits of clothes which were needed, this strike cut the production for the year 1919 almost four million suits of clothes below the production of the year before, or nearly eight million suits below what we needed and knew in advance that we would need. And it was this tremendous shortage—inexcusable because entirely foreseen by both manufacturers and labor and deliberately precipitated by labor—which sent the price of an ordinary suit of clothes up to \$55, \$65, and \$75 during 1919 and the early part of 1920.

But this shortage and consequent immense advance in price is only the first half of the result. The shortage became so acute and the prices went so high that the clothing manufacturers yielded to the demands of the strikers. The result was that with this new wage scale plus the new lower scale of production, due to the forty-four hour week, this class of labor which had never been able to earn more than \$12 to \$20 a week under normal labor competition, even for the old rate of production, now received

\$50 to \$85 a week for the new scale of production, which was equivalent to about \$100 a week per worker for the old rate of production.

On the basis of this immense increase in costs, the manufacturers then started in to try to catch up with the demand. But prices had already been forced so high that by the spring of 1920 the public began to refuse to pay them—the manufacturers and retailers had more and more to dispose of immense stocks at less than cost and as a result by July, at what was ordinarily the height of the producing season, over fifty per cent. of all labor in the industry was out of employment.

This Ponzi get-rich-quick idea which was the basis of the clothing strike in the spring of 1919 not only cost the general public, including millions of the labor public, from ten to thirty dollars apiece on every suit they had to buy, but for months it cost over half the clothing workers of the country themselves the thirty-five dollars a week—double what they had ever been able to earn before, or perhaps even forty dollars or forty-five dollars a week—which they might have continued to earn steadily and indefinitely.

Moreover the end is not yet. The scale of living of American labor ought to go steadily up. Wages ought to go steadily up. Labor believes this, and is



## Strikes and High Cost of Clothing 21

right in believing it. But wages cannot be doubled one year and doubled again to four times the original wages the next year. The public, including the labor public, cannot pay four times as much, including the thirty-five per cent. reduction in efficiency—actually six times as much—to any special group of labor for making any absolute and universal necessity. That the public, including the rest of labor, will not pay such rates was amply demonstrated the last six months of 1920 not only in this but in other fields. And with their get-rich-quick bubble hopelessly burst there has already been much bitterness and recrimination, and under the radical leadership which now dominates the clothing unions there are sure to be further strikes, which can only mean still further needless cost to both the workers and the public.

Change the word "suits" to "shirts" and the figures in proportion, and the story of what has happened in the suit industry will tell almost word for word what has happened in the shirt industry also.

There were the same four million soldiers, and as a man probably buys about four shirts to one suit of clothes, this means that about 16,000,000 more shirts were needed to supply the American market than were needed that last year of the war. As a matter of fact, a series of strikes in the shirt and allied industries actually cut the production of shirts, according to

Babson's figures, by 15,886,500 below that of the year before, which meant a total of about 32,000,000 shirts fewer than America needed. Of course, under such circumstances the price of shirts went fifty or one hundred per cent. higher than the increased cost of labor or material or any other legitimate factor would have sent it. And this is the amount that strikes cost you on every shirt you bought.

Again change the word "suits" or "shirts" to "overalls" and make the figures a little different and you have the story of the extremely high price to which overalls went.

In this case the lessened production, due to strikes, was, according to Babson's figures, 19,133,800 pairs, and the price of ordinary overalls which had been 87½ cents wholesale in 1913, and \$1.87½ in 1919, went to \$3.12½ a pair by May, 1920.

There is a cotton goods house on lower Broadway whose mills, in the Fall River district, were closed for eighteen weeks during the spring of 1920 by a strike. Of course, the workers lost millions of dollars in wages. The firm itself lost other millions of dollars in various ways. The officers of the firm rate as their biggest loss the fact that their big body of skilled workmen, which they had carefully built up over a long period of years, and to whom they recognize that they owe a large part of the success of their business, became so

## Strikes and High Cost of Clothing 23

inoculated with the strike mania that the continuation of their employment became impossible. But there is one loss from this strike which has a direct bearing on the public.

This company has a large corps of salesmen which they felt it necessary to keep together as an organization. Each of these salesmen has a large body of customers who regularly depended on this company to supply them with certain classes of cotton goods. To keep their salesmen working, their customers supplied, and in general to suffer as little loss as possible, the company went into the open market to buy the kind of goods they usually produce. Because of shortage they had to pay just two million dollars more for these goods than it would have cost to produce them, which two million dollars was, of course, ultimately passed on to the public.

This case is in a general way typical of the roundabout and expensive ways that many concerns are forced by strikes to resort to in order to supply the public with the goods it wants. It is just one way strikes pile up the high cost of living for you. There are many other ways. And there were four thousand strikes last year.

The strike on the Clyde, Mallory, and Old Dominion lines which made people in New York and the New England States pay one hundred per cent. more

for all their fruit and vegetables also stopped, or seriously interfered with, the transportation of the unbleached or gray goods from Southern cotton mills.

The M. C. D. Borden Company normally handles four million yards of such goods a week. During a large part of the time this boat strike lasted, and entirely due to the strike, the shortage in these goods and the extra expense of getting what goods they did obtain added about five cents a yard to the factory cost. And there are one hundred other similar firms handling the same kind of goods.

In making cotton goods, one mill will spin the thread, another will weave it into cloth, another will print it, etc. Such different mills are sometimes under the control of one management and sometimes separately controlled. But in either case a strike in one mill seriously interferes with or stops production of the others. If they are not to stop producing, these other mills must go out in the open market and compete against each other for the limited supply of the particular product the striking mill usually produces. Strikes in the spring of 1920 around Providence alone, in this way advanced the mill cost of scores of millions of yards of cotton goods one hundred per cent.

Cotton goods are finished up into hundreds of different kinds of cloth, which are sold through factors and jobbers and many different kinds of re-

## Strikes and High Cost of Clothing 25

tailers to the public, each of which adds a definite percentage for handling and profit to the price they pay. This means that the price the public pays is not merely the one hundred per cent. more, but the one hundred per cent. added to in geometric ratio.

In other words, a strike works like a stone thrown into the water. If the stone is small the sixth or seventh succeeding circle, which represents the price to you, the ultimate consumer, is only so big. If the stone is one hundred per cent. bigger each succeeding circle may be only the same proportion greater than the one before, but there is a tremendous difference in the size of the sixth or seventh circle.

If you want to get a real idea of the high cost of strikes to you try this experiment with such different sized stones.

## CHAPTER III

### STRIKES AND THE HIGH COST OF RENT

THE average New Yorker is to-day paying \$32 more rent every month on account of strikes or threats of strikes.

Bricks, that used to cost \$10 to \$12 a thousand, went up during the summer of 1920 to \$44 a thousand.

Bricklayers used to lay from 1200 to 1500 bricks a day for \$5.60 a day. But during this same time they were laying only from 600 to 800 bricks for \$10 a day.

If it cost twice as much to lay half as many bricks, it obviously cost four times as much to lay each brick. And when each brick itself also cost four times as much to buy, it is not hard to figure out one very material item in the high cost of building and the high cost of rent.

The reason why each brick cost four times as much to buy and then four times as much to lay was at least seventy-five per cent. because of the spirit of strikes, the threat of strikes, and strikes themselves.

New York is surrounded by square miles of sand and gravel. There are miles of mountains of sand



## Strikes and the High Cost of Rent 27

along the Southern outskirts of Chicago. Yet in New York or Chicago this basic building material went to four to five dollars a cubic yard—twice as much as coal cost a few years ago. The only possible reason was strikes.

A piece of limestone, which could be mined and fully prepared for \$1.70 in Indiana cost ten dollars when erected in New York. The reason has been judicially determined to be because of strikes and the possibility of commanding the strike weapon.

The writer was in a position where he could watch the erection, a few years ago, of the building at 190 West Fortieth Street. The ironwork went up twenty-two stories at the rate of two stories a day. The brickwork went up at the rate of more than a story a day.

There was a much smaller building going up at the corner of Madison Avenue and Fortieth Street in the summer of 1920. Each piece of material in it cost up to four times as much as that in the former building. Every laborer was getting at least twice as much pay. But in spite of this the building went up only half as fast. With this conspicuous and typical example a child could figure out the reason for the high cost of building and the cost of rent.

A New York City school house put up during this same period is an exact duplicate of one put up before



the war. This makes possible an exact comparison of labor efficiency in 1913 and 1920. Even on such a building, for the education of their children, work in 1920 was  $33\frac{1}{2}$  per cent. less efficient. What was it then on the ordinary job? Often at least fifty per cent. less efficient, say almost all builders in all fields.

Moreover, such conditions are in no sense caused by special local conditions or limited to a few localities. They are nation wide. The following table shows conditions in a small mid-western city:

| Year | Wages per hour | Bricks laid per day |
|------|----------------|---------------------|
| 1909 | \$ .56         | 1,100               |
| 1916 | .65            | 900                 |
| 1918 | .75 to .85     | 614                 |
| 1919 | 1.00           | 587                 |
| 1920 | 1.25           | 541                 |

In Minneapolis reliable contractors state that labor in the building trades is doing only from one fifth to one half a normal eight hours' work for an abnormally large eight-hour pay.

In Cleveland a grand jury investigation reported: "*Second*—We would be remiss in our duty did not we point to a lamentable condition which no doubt has injured the very group (labor) which created it as much, if not more so, than the public generally.

## Strikes and the High Cost of Rent 29

"We refer to the present tendency upon the part of mechanics, artisans, and laborers of all trades to do less than a full day's work.

"The testimony adduced before us indicates conclusively that it requires approximately twice as long, with the same number of men, to erect a house today as it did in pre-war times.

"Impartial tests show that it takes twice as many carpenter hours to do carpenter's work on a building as it did five years ago.

"Bricklayers lay less than half the number of bricks; paperhangers, painters, and plasterers all do less than half the work in the same time that they did five years ago.

"Manufacturing firms which make and sell building materials prove by their records that while wages have gone up two hundred per cent. in some instances, labor cost has gone up four hundred per cent., indicating that their employees are getting double pay for one half the work, as compared with the period before the war."

Yet any contractor or other capitalist who should have dared to suggest to labor that, with material twice as high or more and with labor getting twice as much or more, labor itself ought to help bring down the cost of building by doing at least as much as they did when they got half as much pay, would un-

doubtedly have had a strike on his hands within an hour.

All this applies merely to the high cost of building on which construction progressed steadily even if slowly. On buildings affected by strikes, high costs not only ran up much greater, but for a special and pernicious reason, disproportionately greater.

As is well known, years ago the building field was one in which strikes of the ordinary kind—between the workers' union and the employers—flourished. For a number of obvious reasons, however, the union has a very distinct strategic advantage in such controversies. In the first place, the employing side was weakened because the employer represented only one or a few building operations and was further divided into contractor, architect, and owner, often with different interests, while the union represented all the workers of a given class in a locality.

Again, a building operation requires the work of many classes of labor, one after the other—excavators, steelworkers, masons, carpenters, plumbers, etc., so that a strike of any one of these classes of workers, though they represented but a small minority of the total workers, could hold up all building operations.

As a result of these and other circumstances, builders long ago found that it was cheaper in the

## Strikes and the High Cost of Rent 31

long run to yield to almost any demand, no matter how unfair, from the unions rather than permit a strike. Thus, although there has been for years far less striking in the building trades over controversies between employers and employees, the strike threat has served to constantly increase the cost of building far more than actual strikes have increased costs in many other fields. In fact, the Senate Calder commission shows that to-day at least one third is always added to the estimated actual cost of any building operation to provide against "contingencies"—which consist chiefly of possible labor troubles. A large New York contractor stated during the strike mania period that he would not think of accepting a contract at a fixed price without adding fifty per cent. for such "contingencies."

Just what such "contingencies" may consist of is often exceedingly problematical and involved, but here is one very simple example: Some time ago the steamfitters decided that it was below their dignity to move radiators from the ground floor up to where they had to be installed. They demanded, on threat of a strike, that somebody else be hired to carry the radiators. The employers yielded and hired extra labor to do this. But the steamfitters soon found that with this work done for them they could not charge so much time to a given job. So they de-

manded on threat of strike—and some of them did strike—that they again be allowed to carry up their own radiators!

As a result of such continually increasing demands, not only for higher wages and shorter hours, but for all sorts of special and expensive concessions, always backed by the strike threat, costs of buildings have gone up for a decade out of all proportion to normal costs, and rents have continued to go up even faster, both because of those costs themselves and because of the way they have handicapped and decreased building and so increased the competition for existing buildings.

But entirely in addition to this, cost of building and, consequently, the cost of rents went up tremendously after the war as a direct result of strikes of two special kinds. These were: First, strikes in the building field itself, ninety-five per cent. of which had nothing to do with any controversy between employer and labor, but were the results of fights between unions; and second, strikes that interfered with the production or transportation of building material and raised its costs by raising its cost of production or by causing a shortage which raised its price through competition.

The first of these types of strikes—that because of fights between union and union, generally for juris-

## Strikes and the High Cost of Rent 33

diction over some particular class of work—when the question at issue is fought out to a conclusion and one or the other union wins, has exactly the same effect as any other strike in holding up the completion of the building, increasing the interest charge before any return can come from the building and often causing serious depreciation of unused or partly used material.

The Chicago *Tribune* states that in Chicago alone such jurisdictional disputes and strikes have caused the shelving of \$150,000,000 of proposed building operations. In the country as a whole the figures must obviously run into billions.

Jurisdiction fights between unions, however, are more and more tending to result in compromises which often do far more toward increasing costs of building than the strikes themselves. A new type of heating regulator, for example, is put on the market and because of its superior qualities adopted in many buildings. It consists of a meter connected by pipes and valves to the furnace. Immediately the plumbers' union and the steamfitters' union each claims it should be erected by their workers and each calls a strike to keep the other out of work until the other gives in. If, as has been said, the strike results in a victory for either side, the owner of the building only suffers the ordinary losses of an ordinary strike. But if there is a compromise reached, this compro-



mise is very frequently that the workers of each union shall do a part of the job. This means that the work which one or two men could easily and quickly do by themselves must now be done by twice that number of men, each of whom has to wait for the others to get through with their operation, with the almost invariable result that the installation costs at least twice as much or more than if one man or group of men were allowed to go right through with it from the beginning.

Four unions called strikes to see who should set registers. Two unions now control this one job. Plumbers and steamfitters must now work together in connecting a boiler which either could connect easily and much more quickly alone.

Nineteen strikes out of every twenty in the building trades all over the country during 1919 were of this kind and they constitute one of the biggest reasons why only half as much work was done for twice as much money and why the price of building is going up so high that even the present high rents are not enough inducement for the building of enough new buildings to offer any hope of rents being reduced, at least for years to come.

The second element in the high cost of rent to-day for which strikes are chiefly responsible, is in the high cost of material.



## Strikes and the High Cost of Rent 35

Our steel capacity in 1918 was 39,000,000 tons. In 1919 the steel companies had orders for 44,000,000 tons which they were bending every effort to fill. But the steel strike cut our actual production that year to 37,000,000 tons.

Such a shortage as this, due to the steel strike, has a far more serious effect on building operations and the cost of building than the figures themselves indicate. The great majority of our steel is bought by big and consistent users of steel like the railroads or the American Bridge Company, or other manufacturing plants. Such users are always in the market and so in a specially favorable position to get as much, or almost as much, steel as they require. When there is a shortage, therefore, it means that the smaller or occasional user of steel has to bear the chief brunt of that shortage, which often means there is no steel at all for him. The builder is such an occasional user of steel. A shortage therefore of seven million tons in the steel market does not merely mean that there is twenty per cent. less steel for him, but means there is no steel at all for him, or so little in proportion to the demand that he has to pay exorbitant prices for it.

The third and final way in which strikes added to the high cost of building was in holding up or stopping the transportation of building material.

All freight traffic is divided into classes. Smaller,

more valuable products and perishables which require careful and quick transportation are put under the head of first-class freight, more is charged for transporting them, and they are given a preferential right of way. In the same way there are second, third, and fourth class freights.

When, because of such a strike as that on the Clyde and Mallory boat lines or for other causes, more traffic has to be transported by a railroad than the railroad can transport, shippers, who are extremely anxious to get their freight through, and particularly where the value of the commodity in proportion to its weight will warrant it, invariably send it under a higher classification. In this way the railroads have their entire capacity demanded by first or first and second class freights, so that third and particularly fourth class freight cannot be handled at all.

Fourth class freight obviously consists of coal, lumber, stone, brick, sand, and other commodities which have a very large bulk and weight in proportion to their value.

Because coal is absolutely necessary special arrangements are always made, even under conditions of the severest congestion, to give coal preference, but the balance of fourth class commodities under such circumstances hardly move at all. It is also

## Strikes and the High Cost of Rent 37

obvious that most of this balance which cannot be moved at all consists of building material.

This strike, then, on the boat lines congested the Southern railroads, over which a large part of our stone, lumber, and other building material is normally transported, so that all spring the rest of the country got practically no building material from this section.

The outlaw railroad strike, which began a little later and which, although it did not tie up, handicapped the transportation of the whole country, operated in exactly the same way to practically prevent the transportation of building material from any section of the country.

Moreover, as these strikes became more and more seriously felt, and it became necessary for the railroads to use every car with maximum efficiency just to move coal and food and the absolute necessities of industry, an embargo had to be put on building material, which prevented its transportation at all, even at higher rates.

This combination of strikes and threats of strikes was the chief cause of the tremendous after-the-war jump in the cost of building which affected every part of the country. But strikes and threats of strikes very much further exaggerated conditions in many special localities through the grafting and blackmail

## 38      The High Cost of Strikes

tribute which they made it possible for many labor leaders to exact and add to increase still further the cost of building. The Lockwood investigation has shown that it was common practice in New York in certain of the building trades for union officials to allow labor to work only for contractors who would pay the officials themselves an extra fifty per cent. of what they paid the labor which these officials thus allowed to work for them. In other cases union officials would allow labor to work only for contractors who would make these officials a fifty per cent. partner in their profits. In one conspicuous instance the cost of graft and blackmail amounted to more than the cost, even at present strike inflated prices, of the building itself.

That conditions approximating these have existed in other times and places has been proved again and again by other investigations and there is no question that they have been adding their full quota to the high cost of building in many sections of the country since the war.

It is equally true of course that after strikes, threats of strikes, and embargoes due to strikes had forced up the cost of building materials and building, that entirely illegitimate conspiracies and combinations were formed to keep prices up. But these were aftermaths not causes. They have generally merely

## Strikes and the High Cost of Rent 39

perpetuated and exaggerated what strikes chiefly created, and often the very basis of their existence is the ability, through a partnership with labor leaders, to get labor to work for them and strike against their competitors.

Edward P. Doyle, secretary of the Mayor's housing commission, after a thorough investigation into the high cost of New York rents, says the chief reason is "labor unrest, with unprofitable strikes."

"Capital can be procured," he said in 1920, "and men will be found who, notwithstanding the unpopularity of real estate ownership, are willing to build houses because of their imminent need.

"At the present time," he goes on, "houses cannot be built in large units for less than twenty dollars a room per month. To decently house any family, however small, four rooms are absolutely necessary. Eighty dollars is an uneconomic rent for a man receiving from \$1500 to \$3000 a year, and these are the men who need additional housing facilities."

As typical of the whole situation, Commissioner Doyle gives this specific example: The City and Suburban Homes Company began "building on cheap land, with a splendid organization, abundant capital, and thoroughly capable supervision. The original intention of the company was to rent rooms for not more than \$12 a month, but it finds it cannot

## 40      The High Cost of Strikes

rent the rooms just built for less than \$72 to \$87 a month for four rooms," which means just \$32 per month more rent not only now, but for years to come.

And this official authority added again: "The situation is entirely up to labor."

## CHAPTER IV

### THE HIGH COST OF STRIKES TO LABOR

THE families of over two hundred thousand workers in Detroit had an unexpectedly gloomy 1919 Christmas because over two hundred thousand workers suddenly lost most of several weeks' wages throughout a strike of other workers hundreds of miles away.

The two thousand mine laborers in the Illinois coal fields who struck during July, 1920, forced 15,000 miners to stop work and lose their wages.

Probably a million New York laborers in scores of fields lost a very considerable part of their wages for weeks at about the same time because of street car strikes in which a majority of the operatives were forced on a strike against their own will.

Over 1,500,000 workers had their wages seriously cut for nearly three months in the winter of 1919-1920, because two thousand printers insisted on striking in breach of their own contract and in defiance of the orders of official leaders.

One thousand men on a strike in one place almost



invariably means many other workers—often 10,000, 20,000, 100,000 other workers—vitally and directly affected, yet often in such utterly different fields and often so many hundreds or thousands of miles away that even the affected workers themselves have no idea what it was that affected them.

Of the 3232 major strikes during 1919 there was probably not one that did not throw out of employment or otherwise reduce the wages of from two times to seven hundred times as many other workers as the strike itself directly involved. Yet it is doubtful if any of these other workers ever stopped to realize that the direct and only cause of their loss of wages was the other strike.

In raising the cost of food and clothing and other necessities—in deranging manufacturing and transportation, and not only keeping industry from going ahead but pulling it back, strikes and lessened production raise general prices to the laboring man and hurt him just as much as the rest of the public.

But beyond this in a peculiar way strikes hit more closely home and much harder at the laboring class itself than at any other class in American life. For a strike that cuts off or limits for a time the production of any commodity—coal or iron or cotton cloth or transportation service—means that thousands and often tens of thousands of other laborers who depend

## The High Cost of Strikes to Labor 43

on that product for their work are, through that shortage of supply, not able to work, at least not able to work regularly, and for that length of time lose a part, if not all, of their wages.

The steel strike by raising the price of steel not only raised the price of all steel products—knives and sewing machines and every other steel product—to the laboring public as well as to the rest of the public, but the shortage of steel also shut down or partly shut down hundreds of plants which couldn't get steel to keep going. The stockholders in such plants may have lost some of their dividends—but that is only a part of the stockholders' income; managers and office help may have lost some raises in pay they otherwise expected—but their salaries went on just the same; but to the laboring man such a shut-down, or partial shut-down, due to the steel strike in which he had no direct interest or voice, meant that he lost all his pay for all the time he lost because of that strike.

The first week of the coal strike two hundred thousand workers in Detroit alone were idle—ninety per cent. of all factory workers in Indianapolis dropped to half time, 250,000 workers in Chicago had their wages entirely cut off—and the same condition prevailed in almost every part of the country. If, as was claimed, every man, woman, and child of all

classes in the United States lost ten dollars each through this strike, it is probable that the loss in a large part of the laboring families of the country reached fifty dollars each.

At election time in 1919, nearly three thousand workers of the American Locomotive Company's Schenectady plant had been for some time previously out of employment. J. B. Bellingham, an employee of the General Electric Company, president of one of the labor unions in the electric field, and a recognized labor leader, who was running for office on the Socialist ticket, made a special appeal to these American Locomotive Company employees on the ground of their unemployment, demanding again and again, with oratorical emphasis, of them, of the capitalists, and of the whole country why these capable workmen, who were willing to work, whose families desperately needed their wages, should not have work.

The answer in this particular instance happened to be particularly easy; the exceptionally high wages which another specially powerful class of labor had forced from the railroads, plus the constant strikes of other classes of labor in the railroad field, had so reduced both the railroads' income and the use to which the railroads were able to put the equipment they had, that they were at that time absolutely unable to buy the extra locomotives, the manufac-

## The High Cost of Strikes to Labor 45

turing of which would have given employment to these men.

Moreover it is not at all necessary that the strike be in some big, conspicuously basic industry like coal or steel to make a tremendous dent in the wages of immense numbers of outside workers whom the strikers themselves undoubtedly never considered in the situation.

A street car strike, which in our large cities often affects millions of people, making it difficult and often impossible to get to and from their work at least for more than a few hours a day, puts a particular burden on labor because, while such a situation seldom affects salaries, for every hour that labor loses, wages completely stop.

Take the case of a strike of which the public outside of the little local area might never hear—a strike among the cotton spinners in Lowell. Such a strike by a comparatively few thousand primary producers of cotton immediately involves a vastly greater number of cotton weavers, cotton bleachers, cotton print men, etc., so that many times as many workers in the Lowell section alone as actually struck lose their wages.

But this includes only the first of the outside effects of such a strike. In New York, makers of all kind of women's and children's undergarments, wrappers,

dresses, aprons; in Troy, makers of collars and shirts; in Utica, makers of sheets and pillow cases; in Ipswich, Holyoke, and Rockford, makers of men's, women's and children's hosiery—in short, tens of thousands of workers all over the country also lose time and wages because of the original strike whose cause they did not know and whose outcome, of success or failure, in no way benefits them.

No better example perhaps can be cited of how a strike of a comparatively few men can have the most far-reaching effects on the work and wages of a vast number of other workers—no better illustration need be given of how helpless such a great body of workers is to prevent an entirely unjust and unnecessary petty strike from seriously injuring them than the case of the printers' strike in New York in the fall of 1919.

It is easy to see how a strike of printers could injure their employers, how by holding up the publication of newspapers and magazines it could inconvenience the public, including the labor public; but it does not appear at first blush how a printers' strike could throw any great bodies of outside labor out of employment or even seriously affect their employment or wages. Yet it can and did.

In New York City there are a number of great mail order houses who sell to eight or ten million

## The High Cost of Strikes to Labor 47

customers, scattered in all parts of the country, hundreds of millions of dollars' worth of merchandise every year. Every such sale must of course be solicited entirely by large, elaborately printed catalogues. They must be negotiated entirely by letter and closed entirely through other printed matter.

But in addition to these regular mail order retailers there are a great many other firms—manufacturers who sell to retailers by mail, mail order jobbers, and both manufacturers and jobbers whose salesmen sell from catalogues instead of carrying samples—all of whom depend for their sales on this kind of printed matter.

In the fall of 1919, right in the midst of the preparatory season, when the millions of catalogues and letters and circulars were being printed, which were to offer these various lines of spring merchandise, a few thousand New York printers stopped work. They themselves did not dare call this a strike. Many of the strikers had written contracts with their employers, with months yet to run, guaranteeing that they would not strike. Their national officials decided that under the circumstances they had no right to strike, and forbade them to strike. So these few thousand men merely all together, at the same time, went off on a vacation.

As a result of this wholly unwarranted action of



about two thousand printers, millions of catalogues were not printed or were printed months late. And, to quote Mr. Roger Babson, who has made a special statistical study of this situation, "the whole manufacturing programs of hundreds of these firms were held up because they could not get out their catalogues. It is estimated that these firms employ over 500,000 people, and indirectly give work to 1,000,000 others. Thus the strike of only a few thousand men in one industry affected 1,500,000 in another line of production. And remember, that back of this 1,500,000 are still more men and women whose work and earnings suffered."

One billion dollars would be a most conservative figure at which to put the wages lost in 1919 by workers who did not strike because of strikes by other workers.

This means that ten million workers in the whole country, entirely in addition to all they suffered from raises in prices due to strikes, also lost over one hundred dollars each out of their own pay envelopes because of strikes in which they had no voice or other interest. Tens of thousands of these workers, of course, lost much more than this.

But how many workers have ever seriously thought of the strike question from this angle? How many to-day, when strikes have become one of our most



## The High Cost of Strikes to Labor 49

conspicuous national problems, are making any attempt frankly and honestly to consider how many of the strikes which caused these losses have been worth what they cost to anybody?

## CHAPTER V

### STRIKING AT THE NERVE CENTERS OF INDUSTRY

COAL cost \$3.75 a ton at the mine in July, 1920. This price included the cost and profit to the operator and all labor costs of mining and cleaning and making the product ready for the ultimate consumer. Yet at exactly the same time coal cost seventeen dollars a ton at Hampton Roads and twenty-two dollars a ton in New England. The basic reason was strikes, but strikes entirely outside of the coal field.

The basic cause of the high cost of building material was as has been emphasized strikes—but strikes entirely outside of the building field.

It was a strike, but not a strike by the growers or jobbers or retailers of fruit and vegetables, which forced every family in the North Atlantic section to pay one hundred per cent. more for their fruit and vegetables.

The 1,500,000 men whose time and wages were reduced by the small printers' strike, the millions of men that were put out of work by the coal strike and, in general, by far the biggest losses and costs from

strikes have been caused by strikes which occurred entirely outside the industries most injured.

There are, because of the intricate interrelation of the human body, certain vital nerve centers whose smallest disruption may have an effect on the whole human system out of all proportion to the area seemingly affected.

A man familiar with anatomy can by jabbing a needle into certain of these nerve centers, though he leave a wound no bigger than a needle point, paralyze some major function of the body.

Water, next to air, is the most plentiful and the most necessary thing to human life in the whole world. Yet to-day five million New Yorkers depend for every drop of the water they use on a source twenty miles outside of the city limits, which very few of them have ever even seen. If anything should happen to this source for a single day five million New Yorkers could not wash. Within a week millions of people would not be able to get anything to drink and would have to give up their businesses and their homes and move out of the city.

In the same way not only New Yorkers, but most of the rest of our people, have to depend for the food they eat to keep them alive, for the fuel they burn for light and heat, for the clothes they wear and for practically every other necessary of living on intricate

and distant systems of production, transportation, and distribution, most of which they never see and scarcely know about and whose operation is in the hands of other men they do not know and over whom they have little more control than an ordinary cell in the human body has over the intricate organization of the human body that keeps it alive.

Thus just as in the human body so in our vast, intricate industrial organization there are many vital nerve centers whose smallest disruption may have an effect on our whole economic system out of all proportion to the area affected.

And the skilled labor leader to-day, intimately familiar with our economic anatomy, has discovered that he can, by striking at these nerve centers, though the disruption may not itself appear on the surface to be big or important, paralyze whole sections of our economic body.

The nation's coal supply is of course one of the two most conspicuous of such nerve centers.

Considered in bulk, or in mine value, coal represents less than two per cent. of the total of American commodity production. All the men engaged in coal mining represent less than two per cent. of the total of America's workers. Yet coal is out of all proportion to these figures the most vital necessity in America's industrial life.

Seriously interrupt our supply of wheat or wool or cotton or steel or any other single product, and you may stop ten, twenty, or perhaps forty per cent. of all industry. Seriously interrupt the supply of coal, and ninety per cent. of industry, transportation, heat, light, and almost as big a proportion of the food and water supply of the whole country would be shut off.

In November, 1919, certain labor leaders stopped this less than two per cent. of our production by the strikes of this less than two per cent. of our workers for a few weeks and threatened to stop it longer. The actual non-production was perhaps not more than fifty million dollars' worth of coal, but this mere beginning of the strike, coupled with the threat of continuing it, immediately threw millions of men out of work and cost the country immediately hundreds of millions of dollars.

If these labor leaders could have continued to stop this mere two per cent. of our industrial production they would have stopped America's total income. If they could actually stop this mere two per cent. of our production only long enough to exhaust our reserve supplies of coal, every man in the country but the farmer would have been out of a job and every city in the country would have been depopulated.

The railroads, though in a different way, are every bit as vital as the coal supply, not only to the indus-

trial but to the human life of the country. Actually stop railroad operation for the few weeks necessary to exhaust the limited food supply on the grocers' shelves and in the warehouses, and every man, woman, and child in every big city in the country would have to board out or hire out on some farm—and most of them would have to walk to get there.

But strikes that attempt to tie up the whole coal industry or the railroads are too much like conspicuously holding a dagger at the nation's industrial heart. They incite immediate resistance by the whole country and though the country may suffer severely in the struggle, as it did in the coal strike, such a strike is too utterly audacious really to succeed.

If the coal strike may be likened to holding a dagger at the nation's industrial heart, where the very conspicuousness of the strike aroused instant general resistance, the outlaw railroad strike might be likened to the sticking of fine needles into one after another of the vital nerve centers along the spinal column and quickly pulling each out again as soon as the act was discovered.

The outlaw railroad strike represents the development of a new strategy of strikes which, unless the American people understand its method and its aim, may make strikes of the future as much more expen-

sive than present strikes, as present strikes have been more costly than those of the past.

The basis of this strategy was its inconspicuousness. It carefully avoided ever at any one time calling out any great number of men. It did not want the public to become aroused as it had been in the coal strike. It did everything possible to keep from the public any inkling of how vital and costly this strike was planned to be.

Instead, it called out only small bodies of men at a time—sometimes very small bodies of men—now here, now there, but always exactly when and where they could do the utmost damage.

If some special yard at some terminal point was having a specially heavy run of traffic, right at the height of it the locomotive firemen would be called out. The engineers and conductors and switchmen and brakemen would all be at their posts, so that only a fifth of the men—perhaps not more than a few dozen—would be on strike. But without the firemen, and particularly because none of the other men would dare break union rules to substitute as firemen, the trains could not be operated and the whole yard would become hopelessly congested.

But as soon as the particular strike, and the actual results it was having, began to get the public's notice, the men would go back to work and another specially



busy freight yard at some distant, entirely different point would be selected. Here, except that perhaps the brakemen instead of the firemen would be called out, the whole program would be exactly repeated.

This strategy of strikes of course did not keep freight from coming through in large quantities. It was not intended that it should. If freight had been conspicuously held up at any one time this would have aroused public opinion to the real state of affairs and some definite solution might have been found.

Instead this policy was cunningly calculated merely persistently partially to paralyze traffic. For persistently partially paralyzing traffic meant a persistent partial starving of industry, which is far more punishing and costly to industry and so to the whole public than any sudden stopping of traffic could be.

That this is true is conspicuously evidenced by the fact that while the production of coal was practically stopped by the coal strike the price did not go up more than a few dollars a ton, the persistent partial starvation of the coal market over a period of several months sent the price of coal that cost \$3.75 a ton at the mine to \$22 a ton and up in New England.

There are two reasons why persistent partial starvation is most punishing and costly. One is economic and the other is psychological. Both these

## Striking at Nerve Centers 57

reasons must be clearly understood before the insidious danger of this new type of strike strategy can be really appreciated.

It is a well-known economic principle that shortage invariably advances prices out of all proportion to the actual amount of shortage.

The best authorities estimated that at no time during the war was our production of normal necessities curtailed more than twenty per cent. Yet prices went up 107 per cent.

In 1917 the flaxseed crop was only forty-five per cent. less than the year before, but the price that resulted from that shortage was one hundred per cent. higher.

The four million suits of clothes by which strikes lessened our supply of certain classes of clothes in 1919 was less than thirty-three per cent. of our production, yet it raised the prices of all such suits over one hundred per cent.

As a part of its policy to keep prices as low as possible during the war the United States Steel Corporation consistently sold its entire output of nails at prices under those of 1914. Based on such prices these nails should have retailed at about five dollars a keg. As a matter of fact due to the general shortage all nails went to about twelve dollars a keg retail.

But the persistent partial starvation of a market

also adds a psychological factor that very much exaggerates this normal price tendency to go up disproportionately to the actual amount of the shortage.

A man who is used to having plenty to eat may be able to continue to live indefinitely even if his rations are reduced to the actual point of subsistence. But if in addition through this long period he is continually threatened with having no food at all, it can be easily understood how he would get into a state of nerves where he would do almost anything or pay almost anything to insure himself of really enough to eat again even if only for a while.

During the coal strike manufacturers everywhere faced the possibility of getting no coal at all. But it was a problem they could all face together and fight together. It was a definite condition, and there was a definite enemy to fight.

During the outlaw railroad strike, however, they knew that plenty of coal was being mined. William B. Culver, of the Federal Trade Commission, had publicly reported that "there is sufficient coal and there are sufficient flat cars to handle our peak production of coal." Yet because of this half starvation strategy of the outlaw railroad strikers they were having coal just dribbled out to them. For months they had had barely enough or not quite

enough, and almost every day they had faced the specter of having even the dribble cut off.

They realized that their having coal or not having it depended on the whim of strike leaders, who were utterly irresponsible and without scruple. Such a condition was bound sooner or later to get on the nerves of men that have to have coal to run their business, till they became willing to pay almost anything to be sure of having enough coal at least for a while.

Of course somebody got vast profits out of this difference between \$3.75 and \$17 to \$22 a ton. Subsequent investigations have made a big point of the profiteering of groups of individuals who through foresight, luck, or special influence got a-hold of coal and resold it at these figures. But this does not change the basic fact in the situation, namely: that the semi-starvation strategy of the outlaw railroad strikers forced industry into the position and frame of mind where it was willing to pay such prices.

Exactly the same situation existed in regard to most other goods and materials. Thousands of manufacturers never knew from day to day whether or not to-morrow they would have enough raw material to keep their plants going. Thousands of them had their warehouses packed to overflowing with a balance of goods they could not deliver and on which,

therefore they could not collect the money which they needed to run their business. Such men, too, inevitably sooner or later reached a state of nerves where they would pay almost anything to get such raw material as was available and pay express or any other rate to ship their goods—all of which added to costs and prices at every turn.

Chamber of Commerce officials and other conservative men familiar with the results all speak of the cost of the outlaw railroad strike in terms of billions of dollars—far more than the coal strike cost.

The public is used to big, conspicuous strikes, like the clothing or the coal or the steel strikes, where hundreds of thousands of men openly quit their work and the issue and consequences are conspicuous. Public opinion is generally able to understand and judge and deal with such a strike.

But in a strike where seldom more than a few thousand men are on strike at a time, and they are scattered—where who the strikers are and what the issues are, are almost unknown, and because of that fact purposely muddled, how can public opinion be aroused or organized?

Yet the present and increasing complexities of modern industrial life offer wide opportunities for such insidious "gas attacks" and labor leaders will undoubtedly become more and more skillful in the

## Striking at Nerve Centers 61

technique of making them more and more costly to the public. The obvious defense is not to wait for such attacks but to put out of action in advance the weapon through which they are made.

## CHAPTER VI

### STRIKES AND INEFFICIENT DISTRIBUTION OF LABOR

ONE of the most conspicuous facts about the labor situation after the war was the practical impossibility of getting labor for many ordinary purposes. Suburbanites were unable to get their lawns cut; they couldn't get their coal delivered when it was needed. Plumbing and electric lights went unfixed for days and weeks because plumbers and electricians couldn't get enough help to handle their work. Storekeepers couldn't get clerks or deliverymen to take care of their business. Apartments were poorly heated, ashes accumulated in the basements and dirt collected in the hallways because owners couldn't get help. And a hundred and one jobs that used to be done regularly and as a matter of course were not done because the labor was not to be had.

Yet at the same time in these same cities the clothing trade was employing thirty-five per cent. more men than it had ever required to do the same work before, which unnecessary and expensive extra



## Inefficient Distribution of Labor 63

labor had been added to and was maintained in the industry through strikes and threats of strikes.

In certain departments of our railroads there were at this same time 250,000 more men on the pay rolls than it had ever taken to do the same work before, whom the railroads could not then send back to fields where they were really needed because of the threat of strikes which would have been even more expensive than continuing to pay wages to this unnecessary labor. And in exactly the same way many other industries also were burdened with far more men than they needed whom they also could not send back into other fields where they were needed because of the fear of strikes which would have been even more expensive than the carrying of this extra burden on the pay roll.

Farmers all through the country were, during this period, in crying need of labor in the harvest field, yet tens of thousands of men who used to take care of the nation's crops were at the same time in the same States getting twenty dollars per week for two days' work in the coal mines, not only keeping a reasonable number of miners from working regularly, but tremendously and needlessly cutting down the nation's food supply and adding to the price of both food and coal. This is one of the results of the coal strike.

America lost some six million immigrants who would normally have come to swell our labor ranks, because of the war. During the war we made up a large part of this lack not only through more efficient machinery and through greater individual efficiency but particularly through coöperative efficiency in the handling and distribution of labor. We could in the same way have made up a large part of labor's numerical deficiency after the war, but as a matter of fact we tremendously exaggerated it both by individual inefficiency and by a tremendous inefficiency in the distribution of labor. Not only have strikes been chiefly to blame for this, but the perpetuation of this inefficient distribution of labor was one of the chief aims and reasons for many of the biggest strikes which followed the war.

During the whole war, but particularly after America entered the war, there was a tremendous extra demand for labor in many special fields—particularly to mine coal, to make munitions, special machines, uniforms, and such war equipment. In order to get quickly the labor required to meet the emergency demand in these special industries unprecedented wages were offered.

We all remember how, attracted by these wages, tens of thousands of porters, clerks, barbers, farm hands, and all kinds of labor from every kind of mis-

## Inefficient Distribution of Labor 65

cellaneous occupations and from many of the less essential industries flocked to the munition plants and into other "war" industries.

It is, of course, natural that when the war ended this extra labor wanted to stay in these same industries at the same high wages. Moreover, a great proportion of these men had at once joined the unions in their new trades. To-day in the country as a whole twice as many workers are organized as in 1916. In the clothing trade the unions have six times as many members as they had before the war, and in many of the great special war industries the proportion is nearly as great. This new labor not only joined the unions, but began at once to take a very active part in union affairs. In fact there is no doubt that a great deal of the radicalism that is now permeating our supposedly more conservative unions is due to the influx and influence of this new and heretofore non-descript labor.

Not only, therefore, did these tremendous groups of new war workers want to stay in their new industries instead of going back to their old work, but the unions which they had joined and in which they became such an influencing factor did not want them to go back, because it would mean loss of membership and so of income from dues and of power to the unions.

Moreover, union officers were quick to see not only

that they could maintain the strength of their unions, but that they could increase their own hold on their unions in proportion as they made it a personal and union policy to keep these men in their attractive new jobs.

The war was over in November, 1918. In December, 1918, the first of the great after-the-war strikes occurred among the employees of the General Electric Company. The one and only real reason why the strike was called was to forestall the action union leaders feared the General Electric Company might take of reducing its working force to its pre-war strength of old and able employees by releasing its half-trained special war workers to their former occupations.

The leaders of this strike emphasized frankly and openly that the paramount thing they were striking for was a forty-four instead of a forty-eight-hour week, in order that all union members might be continued in their present jobs. As a matter of fact certain of the strike leaders at Schenectady openly emphasized this point to the extent of insisting that every union member should, if it became necessary, work only half time—of course at a sufficient rate of income to maintain his same scale of living all the time—in order that every union “brother” might be continued in employment.

## Inefficient Distribution of Labor 67

This frankness, however—this open insistence that the main object of the strike was to keep more men in a given amount of work than that work would legitimately support—was undoubtedly one of the chief reasons why the strike failed. For the older skilled workers, who had served their apprenticeship in the trade and had been five, ten, or fifteen years in their present jobs, could naturally not see the equity in being asked to sacrifice their pay and perhaps even their own jobs by striking solely in order that half-skilled men, who had already enjoyed a year or two of pay out of all proportion to their efficiency and training, should be artificially maintained in these special privileges instead of going back to the work where they were needed and belonged.

This strike was lost. The principle that a union merely for its own advantage, or rather that union officials for their own advantage, should be allowed to insist that production efficiency in their field should arbitrarily be lowered and the cost of production be arbitrarily increased by forcing the employment of three men to do the work that two men could easily and normally do was repudiated chiefly by the older and more skilled workers themselves. It is interesting to note, however, that in spite of the defeat of this strike and of the inefficient, expensive principle that this strike was undertaken to enforce—un-

doubtedly because they were defeated and the past efficiency and economy of production maintained—the increased demand for electrical equipment and the entrance of the General Electric Company into certain new fields actually kept employed practically all this special war labor at or at better than war wages.

In other words this experience has shown by one more conspicuous example the fact that labor to-day will get far better results by seeking its own interest and advancement through the advancement of industry and the country, than by trying to force its advancement by fighting for special class privileges against, or irrespective of, the advancement and interest of the rest of the country.

Just before the war ended the clothing workers struck for a forty-four-hour week and a new system which otherwise lessened production per worker which would and did so cut production that thirty-five per cent. more men could be kept at work and in the union.

In this case, however, as has previously been emphasized, the strikers were in a particularly favorable situation in that the demobilization of four million soldiers meant at least for the next year a very large increase in the demand for clothing, and so for their labor. They, therefore, not only insisted upon a



## Inefficient Distribution of Labor 69

thirty-five per cent. reduction of efficiency per worker in order that thirty-five per cent. extra workers could be maintained permanently in the industry, but upon the additional demand that the wages of all, including the thirty-five per cent. of extra workers, should be practically doubled.

The clothing workers won their strike. But whereas in the case of the electrical employees, where the fight for the principle of reduced efficiency per worker was lost and the old standards of efficiency maintained, the progress and prosperity of the industry actually resulted in keeping the full war quota of labor employed at better than war wages, in the clothing industry not merely the extra thirty-five per cent. but over fifty per cent. of the whole industry was within six months out of a job and earning nothing. Moreover, by making them officially clothing workers the strike and the union worked to keep them for months idle and agitating instead of going back to work at their old jobs where they were needed.

In the coal strike, the question of reducing hours so that extra war workers, who were not needed in the coal industry under normal conditions but were vitally needed in other industries, should be artificially kept in the coal industry, was one of the two most prominent and undoubtedly the one most vital question at issue.



Fuel Administrator Garfield has definitely declared—and all other unbiased students of the coal industry seem to agree with him—that the chief basis of labor trouble in the coal industry was the fact that there are far more men in it than the industry needs.<sup>1</sup>

The United States Senate reports show that for the year before the coal strike the average miner received about \$1600 for about two hundred days, work. During this period it was shown, however, that because of the number of miners and because wages were such that the average miner could maintain his scale of living on much less than full time, it was the custom in the industry—and this custom was maintained even during the war period, when the demand for coal was greatest—to work less, often much less, than full time in order that there might be plenty of work for all the extra men in the industry. It was also shown by this same Senate report that the miner who worked all the time he could instead of

<sup>1</sup> The coal strike and the steel strike were planned at about the same time. Both were strongly backed by the American Federation of Labor. The chief aim of the coal strike was to keep about 100,000 more workers in the coal industry—and so in the unions—than the industry could possibly use under normal working conditions. Hence the demand for forty-eight hour pay for a thirty-hour week. The steel strike aimed chiefly at such a reduction of hours as would *bring* about 100,000 more men into the steel industry—and so into the proposed steel unions—than the steel industry had ever used before.

## Inefficient Distribution of Labor 71

part time earned from \$2400 to \$3200 a year on the wage scale before the strike.

There were personal ambitions and factional politics back of the coal strike, as will be shown later, but to its main aims all leaders agreed. These were that in order that all the men in the industry could be kept in the industry, and in the unions, and not be forced back into the other industries where they were needed, wages should be raised to a point where the average miner could maintain a full American scale of living by working three or four days a week. And in order to make this doubly sure, it was further demanded that the maximum week's work should be officially recognized as thirty hours, which is equal to exactly three and three fourths eight-hour days a week. The miners' leaders won only a partial victory, but this extravagantly inefficient condition still persists of a far greater number of men than the industry needs, each working part time. Thus not only does the average coal buyer pay two men's wages instead of one man's wages on every ton of coal he buys, but there is a correspondingly lower production and higher price due to labor shortage in each other industry—particularly farming—from which these men came but to which they have not gone back.

But this persistent determination of the unions to keep as many men as possible in the industries they

dominate, or want to dominate, and so in the union to help in this domination, not only obviously adds immensely to the cost of living, but it is part of a secret, sinister policy, to be discussed later, which will in the long run, if it succeeds, be far more costly yet to the whole American people.

## CHAPTER VII

### STRIKES AND THE HIGH COST OF LIVING

STRIKES made potatoes cost four dollars more—suits thirty dollars more—rent thirty-two dollars more, and specifically raised the prices of hundreds of other necessities of all kinds.

But such individual and special facts are only the high lights of the whole picture—they represent only a few of the more direct and obvious costs of strikes to you. To get any idea of the whole cost of strikes we must examine the background of the strike picture—get at the basic general facts of the strike problem.

In 1919, 3232 strikes were officially reported. Of these the United States Department of Labor analyzed 2395 and found that in only this sixty per cent. of all strikes 3,950,411 strikers lost an average of thirty-four days per strike, which means a loss of 134,300,000 working days.

Another analysis of only part of last year's strikes shows 57,885 days of striking by an average of 1640 workers to each strike, or a loss of about one hun-

dred million working days. Still another analysis shows 143,850,000 days of labor lost.

Not one of these investigations includes the hours lost by all labor and the days lost by part of labor while the strike was being fomented and agitated before it began, or the time lost after the men began to come back. Not one of them includes more than sixty per cent. of all the strikes of which we have record. There was, therefore, far more than 134,300,000 working days actually lost by the strikers alone.

But practically every one of these more than 3,950,000 workers, who themselves lost more than 134,300,000 working days, caused other workers to lose time and wages—in many instances two and three and five and ten times as many other workers—in one instance seven hundred times as many other workers, as the number who actually struck.

We know then, even though we haven't the exact figures, that industry and the country lost in 1919 alone, directly or indirectly through strikes, literally hundreds of millions—perhaps altogether five hundred million working days.

Counting only the 134,300,000 working days lost, that means, at an average of six dollars a day, \$805,800,000 wages lost.

The total wages lost to labor directly and indirectly due to one year's strikes—and, because they were not

## Strikes and the High Cost of Living 75

earned and not spent by labor, lost to the business of the whole country—totals billions of dollars.

But these are only the first items in the high cost of strikes.

In the shoe industry in 1919 a dollar's worth of labor applied through tools and machinery to the raw material produced over seven dollars' worth of finished product. A dollar in the men's clothing industry produced three dollars in finished product. A dollar in the furniture industry produced five dollars' worth of finished product. A dollar in the cotton industry produced nearly eight dollars' worth of product. In the coal industry the rate was three to one, and while in many industries it was much higher, in few industries is it lower than this.

If, then, we figure that for each dollar in wages lost only three dollars was lost in production, this means that the days of labor lost by only the actual strikers in about sixty per cent. of one year's strikes cut that year's production, at factory prices, about two billion five hundred million dollars.

If we try to count up the total of how much less production the whole country had to sell and make a profit on and enjoy, because of all the time lost in one year, directly and indirectly, through all strikes, the figures would be unbelievable.

In fact, it has been said that the total cost of



## 76      The High Cost of Strikes

strikes in 1919 was greater than the total cost of the war in 1918. This is undoubtedly a conservative estimate.

In 1918, at the end of the war, the price level was 207<sup>1</sup>—107 points higher than in 1913.

At the end of the Civil War the price level was 190—102 points higher than when the war began; and the high prices were accompanied by high profits and high wages, just as in our own war.

But whereas, by 1867, the second year after the Civil War, prices had gone down thirty-nine points, within eighteen months after the World War prices, as we all know too well, had gone sixty-five points still further up.

The primary and basic and biggest reason was strikes.

When the Civil War ended, our whole people, inspired by the incentive of the big profits and high wages, went unanimously and whole-heartedly to work. The result was that they started, and for years enjoyed the greatest era of big production and of falling prices, coupled with continuing high profits and high wages, that this or any other country has ever before or since enjoyed.

<sup>1</sup> Distinction must be made between general commodity prices, here referred to, and the prices of special commodities of universally consumed necessities, whose prices go to make up what is generally referred to as the cost of living (see table, p. 2).

## Strikes and the High Cost of Living 77

At the end of the World War on the other hand, there seemed to be an increasing tendency on the part of more and more of our producing classes not to utilize the remarkable opportunity of high wages and big profits to produce more, but rather to take advantage of high wages and big profits to work less and produce less.

Free traders and Single Taxers, believers in *laissez faire* or in socialism, or in any of the hundred and one other schools of political philosophy, may disagree about every other economic law, but all of them, from Adam Smith to the near economist of the soap box and the Bolsheviki, agree that wealth, whether in gold or in potatoes, or in anything else, comes primarily from the application of labor to resources, and that the price of all wealth, whether in gold or in potatoes or anything else, is in proportion to the amount of it produced.

To-day, therefore, as in the period beginning in 1865—through war and reconstruction as at any other time—in spite of any number of new and complicating circumstances, this fact is true and basic: that we will have more things, and things therefore will be cheap, in direct proportion as more labor is applied to our resources, or we will have less things, and things will be high, in proportion as we apply less labor to our resources.

As a matter of fact, this basic economic principle has perhaps never been more clearly proved out in actual practice than under the exceptional conditions during the Civil War and after, and during and after our war.

At the beginning of the Civil War plenty of goods were being made to go round, and prices were moderate—88—as compared with 100 in 1913 and 103 in 1840. But during the war great numbers of men went into the army. Other great numbers had to make powder and shells and special war supplies. All this labor stopped being applied to the production of normal commodities; less normal commodities were produced, and the prices went up.

Of course there was profiteering and speculation and inflation during the Civil War. Undoubtedly there was relatively more profiteering and more speculation and certainly a greater inflation during the Civil War than there was during our war. But profiteering and speculation as reasons for high prices of normal commodities are always only the little children of the real basic cause—lessened production of ordinary commodities because less labor is applied to producing them.

For it is perfectly plain that any would-be profiteer would have a mighty slim chance to get illegitimately high prices when there is plenty of the article he sells

## Strikes and the High Cost of Living 79

being produced and the buyer can get it anywhere else as well as from him. Profiteering thrives only on shortage. The profiteer has always been merely the flea on the back of lessened production.

Exactly the same thing is true of speculation. The speculator knows the basic economic law that when plenty of goods are being produced the price is bound to come down. He would not think of attempting to hold or "corner" goods for higher prices except where there is a decreasing production to help him along. When there is an increasing production the wise speculator always "goes short" and so helps prices down.

As for inflation, the term merely means that we have more money than we have consumable products, and therefore we have to pay more money to buy consumable products. But it is simple as A B C that the very fact that we have more money means in itself that we have relatively less consumable products and that the one economic way to equalize the relation between money and consumable products is to increase production.<sup>1</sup>

<sup>1</sup> "There is *no cure*, in my judgment, for this increased cost of living except increased production."—Judge Gary before United States Senate Committee.

"The war has created a tremendous void in materials and commodities of all kinds and prices are high by reason of this scarcity. The law of supply and demand is as inexorable as any law of nature, and *prices can only become lower* when the world's storehouse has again reached its normal level."—Committee of Cleveland Business Men.

At the end of the Civil War we had a lot of new factories and new railroads. Men had learned to work more efficiently because they had to during the nation's need. When the men came back from the army and from making war supplies and applied their labor once more to the producing of normal commodities the country began at once to have more normal commodities which went to equalize the previously unequal relation between commodities and money—to offset the “inflation”—with the result that prices went down thirty-nine points within two years. Also with the incentive of high wages and big profits Americans worked harder, and with the advantage of the new special equipment the war had given them they produced more efficiently, and this harder work and more efficient production not only helped to reduce still further prices—or “inflation,” but left an extra margin for profits and wages, as it always does, so that wages and profits did not go down with the price.

The fundamental fact in regard to high war prices and as to whether, after the war, these prices shall continue for a time to go up or shall at once come down is simply this: When war takes a certain proportion of labor away from the production of normal commodities, less normal commodities are produced and prices go up. When the war is over

## Strikes and the High Cost of Living 81

and labor goes back to the production of normal commodities more of them are produced and prices come down—if labor does go back to producing.

In the beginning of the World War, a tremendous proportion of men in Europe and a certain proportion of men in America stopped applying their labor to the production of normal commodities to go into war work, so that there were less of our normal commodities produced, and prices immediately began to go up. When America went into the war, four million more men were taken away by the army, and other millions by the production of special war material, from the production of normal commodities, and prices went up proportionately more rapidly until they reach 207—over twice what they had been before this labor had been taken from producing normal commodities.

When men came back from the army after the World War they had the same incentive of high wages and high profit that existed after the Civil War. They found an almost miraculous increase of equipment, of new factories and new machinery and better methods which could be used to produce more goods in proportion to the labor applied, so that prices could have come down and still left a big margin to keep wages and profits up, just as actually happened after the Civil War.



At the end of the World War our railroads had unquestionably gone down in efficiency, but there was ample equipment and ample labor available after the war to bring the railroads promptly up to the standards of the rest of American industry.

We also did not have in 1918 any great new West to develop, but we have a very prosperous and progressive, instead of a wasted and impoverished, South. We also still have far more natural resources than we have either the labor or transportation facilities to develop, and we now have a merchant marine that makes the resources of the whole world more available than were those of the West in 1865.

At the end of our war America had the economic leadership of the world within her grasp. Our own stores of all kinds of normal commodities were depleted and the whole American people with its war profits and high wages were ready to buy and pay for billions of dollars' worth more of these necessities. The reserve stocks of the nations of Europe and Asia and South America had also been so diminished or wiped out during the war that all were eager to buy billions of dollars' worth of products which America alone right after the war could furnish. From being \$3,000,000,000 in debt to Europe we had \$10,000,000,000 of Europe's capital to add to our own im-



## Strikes and the High Cost of Living 83

mense increase of capital with which to finance the production and sale of these commodities.

All this demand for more products, all this capital, all these new factories and machinery, ready or easily made ready, to turn out these products waited merely the return of labor from the war and from war industries.

Labor came back from the war and war industries, but instead of applying itself with the new energy and skill we had learned during the war to the new equipment we had gained during the war to produce the vast new quantities of goods which we and the whole world expected, just a part of labor immediately wasted 134,000,000 work days on strikes and forced other labor to waste hundreds of millions more work days because of strikes.

Look at the high cost of strikes from this point of view. The war made it necessary to take the labor of some six million men away from being applied to the production of normal commodities. This resulted in such a reduction in the amount of normal commodities produced that prices went up one hundred points—fifty points a year. Then these six million men supposedly went back to the production of normal commodities, but in the first year after the war, because of strikes or labor inefficiency—which, because of what we know about the efficiency of

## 84      The High Cost of Strikes

American labor can only be laid to the spirit of strikes—they so failed to produce the goods the country needed that prices went up sixty points still higher, or more than they had in any year during the war.

In other words, the rise in prices during the war and the still further rise in prices after the war were due primarily to exactly the same causes—the fact that tremendous bodies of men were not applying their labor to the production of normal commodities. There is just this difference in the situation. Immense numbers of men *could* not apply their labor to normal production *during the war* because their country needed them. Immense numbers of men *would* not apply their labor to normal production *after the war* because they prefer, or were forced by their leaders, to agitate and strike.

## CHAPTER VIII

### WHAT ARE STRIKES GAINING TO OFFSET THESE LOSSES?

MR. SAMUEL GOMPERS, for forty years president of the American Federation of Labor, is undoubtedly in a position to defend strikes in general and in particular with as much knowledge and ability as can be used for their defense. In his famous debate with Governor Allen of Kansas, as labor's chosen advocate on this subject, he rested his whole defense of strikes, first, on the inherent right of a free man to work or not to work at his own pleasure and, second, on what strikes in the past had accomplished in doing away with child and woman labor and in raising the standards of living of all labor.

Of these two grounds on which Mr. Gompers defended strikes, the first is a very popular argument with labor leaders to-day. They are continually talking about the fundamental right of any free American citizen to work or not to work at his own volition. They constantly decry loudly as industrial slavery the very idea that any man should go to work or stop work at the mere volition of some other man.

Yet 1000 B. R. T. workers reversed the vote of 2000 men not to strike and by that reversal and by threats and intimidation made 11,000 other men stop working against their volition. All through early September, 1920, the streets of Brooklyn witnessed frequent riots, during which over 900 people were injured, because the strikers tried physically to prevent men from working who wanted to work. In the steel strike a number of men were killed, scores were maimed, and thousands intimidated by the strikers in order to prevent men who wanted to work from working. It is the commonest knowledge that there are few strikes called in which a large proportion—often a large majority of the strikers are not forced to quit work against their will. There is seldom a strike called in which police protection is not required for those men who are brave enough not to stop work merely at the *strikers'* volition.

For the modern labor leader therefore to attempt to defend recent strikes, with their tremendous cost to the public and to labor as a whole on a principle which he himself has absolutely repudiated in the very calling of a large part of these strikes, is the most brazen hypocrisy.

But even in principle, the theory which seeks to justify strikes on any inherent right of any man to work or not to work at his own volition is absolutely

unsound. For a strike is never merely the exercise of such a right, but is always from its very nature, a conspiracy among many men to stop work together in order to injure someone else—and in an increasing number of cases in order to injure the public.

This whole argument is, in fact, exactly parallel to another well-known argument of our past economic history which labor itself helped to explode. It used continually to be argued by certain classes of capitalists that any man has a right to sell any property that is his at any price he can get for it. But when any man conspires with other men to fix or regulate values so they can force others to pay their price, labor agrees with the rest of the country that this puts the case in an entirely different category.

It is not only unsound but dangerous for labor to rest its own case on this kind of logic.

The answer to Mr. Gompers's second argument—the extent to which strikes have and have not been responsible in the past for labor's economic and social advancement is emphasized in a succeeding chapter.

But any theorizing about the right to strike, any discussion of the good or bad effects of strikes under other conditions in the past, is of course merely academic.

We had during the period under discussion millions of men, not discussing the theories of strikes but

striking. What did *these* strikes aim at? During this period when labor was on top and labor leaders in control as never before, there were three times as many strikes and probably ten times as many men striking as in any similar period in our history. What have been the results of *these* strikes?

We know very definitely that this unprecedented number of strikes has piled up a total of days of labor wasted that runs into the hundreds of millions and has never before been approached except in modern Russia or in times of war panic.

We know that the loss of production from these days of labor wasted, caused a shortage that added tremendously to the cost of living for all of us.

We know that the only possible justification for any part of this loss—the only way the public could possibly be compensated for any part of it—depends on the extent to which it might have been necessary in raising the standards of American workers to make them better fellow-citizens and more efficient producers in the future.

Were these strikes during this period when the labor leader was in particular power and the present special type of big labor organization in control, a necessary special effort to raise the average workers' living standards which needed raising sufficiently to warrant the cost? What have they succeeded in



accomplishing at this price? Have these strikes had any other aims that have made or may ultimately make them a paying, or even partially paying, investment to the public? If the public interest has been ignored and the cost has been assessed against the public to advance a mere class interest, has the class itself—labor in general—received any return or any prospect of return commensurate with the whole cost or even the cost to itself?

The debate on strikes between Mr. Gompers and Governor Allen took place in the period when organized labor was at the peak of its power and conducting this greatest, most spectacular strike campaign in industrial history. Yet Mr. Gompers made no reference to this campaign—to its aims or its results.

In spite of the tremendous obvious costs and losses which stand so conspicuously on the debit side of the balance sheet, no other leader of the great labor organizations which conducted this campaign has offered any definite specific statement as to either aims or results.

Labor has of course assumed to assign the motives and aims of each individual strike in its statement of the cause of this strike. There were, on this basis, according to the Department of Labor reports, twenty-three reasons or combinations of reasons for which strikes were called in 1919. These reasons,



however, were invariably stated in the most general terms, such as "more wages"—"recognition of union"—"better working conditions," etc.

Such terms of course mean entirely different things in different cases. "Increase in wages" may in one case mean a moderate and entirely justifiable demand, and in another case, such as that of the California fishermen, a hold-up for five hundred per cent. increase merely because the workers or their leaders think they have their employers in a hole.

A demand for shorter working hours may be entirely legitimate, or it may, as in the case of the Bituminous Coal Miners' Union, represent an encouragement of shiftlessness in order that an illegitimate number of men may be kept working and so paying dues into the union.

It is of course true of strikes, as of other facts involving human nature, that motives and aims are seldom single and unmixed. The reasons officially assigned for strikes do not give, and seldom even hint at, indirect motives and aims which are frequently far the most important. It is of course obvious that in graft and blackmail strikes, whatever aim is officially assigned has little to do with the real aim and is generally as far away from it as possible. The more we go into the strike question the more obvious it be-

comes that the same thing is true of many classes of strikes.<sup>1</sup>

It is even more impossible to get any adequate idea of the results of strikes from official reports of results which are almost invariably stated in terms of "won," "lost," or "compromised," and at most in terms of the resulting wage raises, hour reductions, etc. Such statements of results being merely in terms of the officially stated aims of the strike make no reference to the strike's success or failure as regards its secondary or indirect, or as is often the case, its very different real aims.

Moreover, it was conspicuously obvious that after-the-war unrest, the shortage of labor, dissatisfaction with the high cost of living, the openly admitted ambitions of organized labor, radicalism's "boring from within" policy, were all important factors which ran through the whole after-the-war strike situation. Also both organized labor, which is largely centrally controlled, and radicalism, have admitted general strike policies of which individual strikes have been largely mere expressions.

It is obvious, therefore, that it is not only impos-

<sup>1</sup> As a matter of law unless a strike is for the purpose of improving wages, hours, or other working conditions, it is liable to be judged a criminal conspiracy just as a conspiracy by anybody else to do injury is criminal. Labor leaders who know the law therefore would always be careful in *assigning* such a reason for any strike.

sible to get any adequate conceptions of the motives and results of after-the-war strikes from any study of the statistics of individual strikes but from the very nature of the case, it is necessary to study the different manifestations of this strike epidemic in the large in order to get any real answer to the question which labor itself has so conspicuously refused to answer, in regard to their aims, motives, and results.

## CHAPTER IX

### OUTLAW STRIKES—MANIA STRIKES—GRAFT STRIKES

OF the 3,950,000 workers who went on strike in 1919, 1,053,256 struck for reasons which labor officials themselves refused to recognize and otherwise condemned as unwarranted.<sup>1</sup>

On August 30, 1920, the front pages of all the newspapers contained an announcement that 175,000 hard-coal miners had sent a three-day ultimatum to President Wilson, threatening a strike in defiance of their own officers, who did not believe such a strike was warranted.

On the same front pages of the same papers was another announcement of the actual tying up of the principal transportation systems of Brooklyn that was insisted on and perpetrated against the orders and threats of the union's own officials, who said a strike was not warranted and would be defeated.

The printers' strike in New York, which cut the wages of one million five hundred thousand other men, was condemned by the printers' own international union as entirely unwarranted.

<sup>1</sup> *U. S. Dept. of Labor Review*, vol. x, No. 6, pages 199 to 207.

The whole series of railroad strikes in the spring of 1920, which cost the public more than the coal strike itself, were popularly known as "outlaw strikes," because they were condemned as unjustified and combated as much by the officials of labor as by the employers themselves.

All through July and August, 1920, soft-coal miners, principally in Illinois and Indiana, but more or less all through the country, struck in direct violation of the agreement that ended the big coal strike of last winter.

The majority of their own officers said these strikes were wrong and unjustified. The leaders of the dock workers who struck in August hastened to tell the public the men were wrong and shouldn't have struck. In fact, a conspicuous proportion of the strikes that came to public attention during August seemed to have been condemned by a large part and often by a majority of labor itself as being without adequate justification. And the October, 1919, strikes, of which a special record happens to have been kept, is even worse, for here out of seventy strikes only eight were officially sanctioned even by labor itself as being justified.

The first conspicuous fact then, in regard to "what these strikes gained to offset their tremendous cost," is that twenty-five per cent. of all these strikes,

## Outlaw, Mania, and Graft Strikes 95

involving over one million workers were admitted by labor leaders not to have achieved, in most cases not even to have aimed at, any result that could warrant their cost.

On August 27, 1920, three thousand five hundred American longshoremen went on strike and refused to load American vessels—even vessels carrying provisions to American troops on the Rhine—because the English government had arrested an Irish political criminal.

On August 1st, all the printers in Manila went on strike because of one political editorial in one newspaper in favor of American government in the Philippines.

On July 21st, nearly a hundred thousand Irishmen went on strike because an American court sent Larkin, an American citizen, to jail for a crime committed in America.

During August over a dozen groups of workmen went on strike because of the war between Russia and Poland—part of them because they were afraid the government might help or encourage one or the other of these foreign combatants, part because they were afraid their government might not help or encourage one or the other of these foreign combatants.

In August a group of American marine workers

went on strike because an English official would not let an Australian Archbishop go to Ireland. Another group of dock workers, seamen, and cooks struck because this same Archbishop was allowed to get on a boat to try to get to Ireland.

On August 31st, when five women appeared on certain New York docks waving green flags and haranguing the workers to strike till the British government should release the Lord Mayor of Cork from prison, three thousand men of all races, most of them supposed to be American citizens, stopped loading boats—chiefly American boats. No man in his sane mind, if he stopped to think about it, could believe that such an act could change the course of English law any more than Henry Ford's slogan, "getting the boys out of the trenches before Christmas," could stop the World War. And in any event why American shipping should be penalized, American beef cargoes be allowed to spoil, and the American people be forced by American workmen into paying the cost of a strike in such a cause, are equally beyond the average man's imagination.

Of course, most of these workers saw the incongruity of such a situation in a few days, and went back to work, and the strike cost only perhaps fifty thousand dollars—a mere bagatelle as we count costs to-day. But the point is, there were during this



## Outlaw, Mania, and Graft Strikes 97

period literally hundreds of strikes equally footless and resultless—for Ireland or Russia or Poland or Philippine independence or because this or that or the other man, generally a criminal, was or was not treated this, that, or the other way—whose sum total added a tremendous item to the cost of living and which altogether constitute a second great class of strikes that neither aimed at or resulted in any real benefit to anybody.

One of the most serious clothing strikes in Chicago in 1919 was called because the manufacturers refused to pay a huge blackmail to certain union officials for not calling the strikes.

A few years as a labor leader made Brindel, the former drug clerk, a "millionaire."

In the summer of 1920, the Chicago newspapers announced the retirement of a notorious local labor leader who had begun life as an ordinary workman, but who, in twenty years as a labor politician had acquired, in addition to his other wealth, real estate with an assessed value of over a million dollars.

The case of the notorious "Umbrella Mike," boss of an electrical workers' union, who testified that he had saved \$350,000 out of a salary of \$50 a week in six years is well known. This phenomenal ability to save money did not, however, keep the jury from sending him to jail.

Everybody on the inside has long known that because many classes of labor have always seemed willing to follow their leaders and strike for only the flimsiest of reasons, a large number of petty strikes have always been called because bribes are not paid, or not enough bribes are paid, to prevent such strikes.

But the strike epidemic which followed the war, and which seemed to inoculate almost all labor with this willingness to strike for the flimsiest of reasons, together with the immense increases in wages and prices which created an unparalleled margin for graft, unquestionably multiplied this use of strikes as weapons of graft and blackmail, extended this use of strikes into many new trades and industries and advanced such operations from the petty scale of former days to a scale on which the sum total of expensiveness ran very high.

Moreover, the Lockwood investigation has conspicuously demonstrated that after-the-war extortion, graft, and blackmail strikes were not only on a far larger, wider scale but it has given us a new idea of the multifarious ways in which the strike can be used as a weapon of blackmail, all of which are expensive to the public. Brindel, the chief union labor pirate in this particular investigation, sold the privilege of working as a skilled, high paid union laborer to any barber or bootblack or other itinerant work-

## Outlaw, Mania, and Graft Strikes 99

man for twenty-five dollars and forced the employer to keep such men at work irrespective of the way they botched or slowed-up the job, on threat of strike. He collected ten dollars apiece from union members for the privilege of working, and then charged wages and a half to employers—of which he pocketed the half—for the privilege of having these men work for them.

Through his ability, because of the willingness of the union members to follow him blindly, to say that any given piece of construction could or could not be done, he frequently demanded a "fifty-fifty" division with contractors on the whole profits of a job.

With the inside workings of this one case thus open before us, scores of other labor situations, not only in this but in other industries of which we could only suspect the causes because of the results, become obvious.

Moreover, the fact that Brindel, in spite of what was already publicly shown, not only as to his blackmailing and grafting from the public but as to his blackmailing and grafting from labor itself, was not, as part of labor demanded, at once expelled from the American Federation of Labor, is in itself eloquent as to how widespread and deep-rooted such methods must be throughout organized labor in general, that

organized labor either chooses to, or must, thus publicly countenance such a flagrant case.<sup>1</sup>

It is impossible to say with any certainty how big a proportion of after-the-war strikes, mania strikes, and graft strikes constitute, for it is obvious that in assigning official reasons for such strikes the reason assigned was seldom the true one. But if outlaw strikes—which were in general radically led strikes in open rebellion against the official labor leaders—contributed over twenty-five per cent. of all strikes, it is certainly reasonable to believe, both from observation and the nature of the case, that mania or graft strikes constituted an equal proportion of all strikes. This means that roughly some fifty per cent. of all after-the-war strikes must at once be written off as strikes which neither gained anything for anybody or seriously attempted to gain anything for anybody—except perhaps for certain professional labor leaders—to offset their tremendous cost.

Moreover modern organized labor and its official leaders must take full responsibility for such strikes even if they have not themselves specifically sanctioned the particular strike, and even where such

<sup>1</sup>Since this was written it appears that even as a *convicted* grafter on both labor and the public, Brindel was not only not expelled from organized labor but that he has not even been removed from leadership. Nor does official organized labor seem anything but resentful of the fact that he has now to exercise that leadership from Sing Sing.

## Outlaw, Mania, and Graft Strikes 101

strikes are called by insubordinate minorities against their own leadership and were therefore specifically "outlawed" by them. For all such strikes merely represent the logical results of their own constant glorification—for their own purposes—of strikes and the unrestricted use of the strikes weapon. All such strikes are the blood offspring—whether legitimate or not—of their own theories come home to roost.

## CHAPTER X

### STRIKES FOR HIGHER PAY AND SHORTER HOURS

OF all strikes in 1919, according to United States Labor Department reports, 30.7 per cent. had as their assigned reason the demand for higher wages—3.2 per cent. the demand for shorter hours—and 7.3 per cent. the demand for higher wages and shorter hours. See footnotes pages 91 and 93.

While these figures show a marked falling off in the proportion of strikes for these causes, nevertheless, because they are still the most important single group of reasons assigned for calling strikes, and particularly because of the sentimental and social issues they involve, this class of strikes deserves very special consideration.

Labor has always preached and demanded higher wages and shorter hours on the humanitarian and social grounds of giving the worker means and leisure for greater physical and mental development for himself and his family. There is no question that sufficient money and leisure for self-improvement, for better living conditions, and for education, *if so*

## Higher Pay and Shorter Hours 103

*used*, tend not only to make more efficient workers but also better Americans and so to raise both the industrial and social standards of the whole country in which we must all of us work and live. They therefore represent ideals that appeal, and should appeal, strongly to American public opinion.

But both labor and the public have often failed to distinguish between one possible way of achieving an ideal and the ideal itself.

The ideal of physical improvement for instance, is actually acquired chiefly in gymnasiums, bowling alleys, baseball fields, tennis courts, children's play grounds.

Better living conditions can become practical realities only through better houses, bathtubs, electric lights, bigger yards, and gardens. Mental improvement requires schools, reading rooms, study classes.

Mere higher wages and mere shorter hours are often prone, as we have seen plainly in the last two years, to lead to reckless over-spending and idleness and discontent, in other words to the very opposite of self-improvement and better living conditions, unless the material basis for better living conditions and self-improvement is also worked out and made available.

It is notorious that the homes and communities



adjacent to factories and in which the workers live, when left to develop in the ordinary way, have been conspicuously lacking in this necessary material equipment for the practical realization of these ideals which labor so consistently preaches.

The American Federation of Labor and its subsidiaries have collected hundreds of millions of dollars from the workers. Yet as far as is known it has never reinvested one cent. of these hundreds of millions of dollars of the workers' own money in any of the physical equipment that is absolutely necessary to realize its own theories as to the workers' self improvement.

An employer, on the other hand, as long ago as the eighties, built to order, entirely for his workers' benefit the town of Pullman, Illinois, which for a generation was a model of superior living conditions famous throughout the world. An employer built the city of Gary, Indiana, and worked out and paid for, for its workers and their families, the Gary system of education which has been copied by hundreds of communities including New York City. A group of employers have more recently created in Georgia, a community which offers their workers living conditions and opportunities and encouragement for self-improvement that include every practical ideal which the world's most advanced sociologists could

## Higher Pay and Shorter Hours 105

suggest. The United States Steel Corporation has built entirely with its own money for the free use of its workers and their families 45 schools, 19 clubs, 131 playgrounds, 96 athletic fields, 107 tennis courts, and has spent for these and other practical contributions to the employees' self-improvement a total of \$80,000,000. And these are merely striking examples of the necessary material contributions that thousands of employers have made at a cost that has run into hundreds of millions of dollars for the *practical realization* of exactly the same ideals which labor leaders claim to be fighting for in their fight for higher wages and shorter hours.

Again labor and the public have often overlooked another vital fact in the whole situation, namely, that while it is very easy to stand for and preach higher wages and shorter hours or any other ideal, it is often an entirely different matter to think out and work out the necessary practical ways and means of achieving that ideal.

Lenine and Trotsky preached wonderfully about the ideal of freeing and raising 150,000,000 down-trodden people—but overlooked the practical question of ways and means.

American industry has already gone far in contributing to labor's social and material advancement through paying good wages for a moderate working

## 106      The High Cost of Strikes

day. Labor itself has done very much toward getting these higher wages and shorter hours by preaching and fighting for them. But no adequate interpretation of labor's past progress—no theory or opinion as to future progress towards higher wages or shorter hours is valuable unless it includes a clear understanding that past progress has depended and future progress must depend, not only on having this ideal but on thinking out and working out practical ways and means for making this ideal possible of realization.

In 1900 a few thousand automobiles were sold at an average price of \$3000. In 1916 the average automobile cost \$500, and 2,000,000 were sold. Take safety pins or typewriters, soaps or sewing machines, electric lights or cotton goods, phonographs or any of the thousand and one other products on whose combined production the great bulk of American industry is built, and the same principle holds true, namely, that development has come about chiefly in proportion as a constantly increasing efficiency of quantity production has encouraged a constantly increasing volume of sales by making possible a constantly decreasing selling price—or at least relative selling price.

If the frequent wage increases which have been granted in the past had had to mean a corresponding

## Higher Pay and Shorter Hours 107

permanent addition to production costs, and so to selling price—if past decreases in hours of work had had to mean a corresponding decrease in production, they would have worked against and handicapped the whole progress of industry. But this has not been the case. On the contrary, permanent increases in wages and decrease in working hours have come chiefly because ways and means have been thought out and worked out—generally in the form of improvements in machinery, materials or methods—for creating a permanent extra margin of production out of which it was possible to pay these extra wages and make up for these shorter working hours.

Where such a margin of profit exists or can be created, or conditions can be otherwise brought about to pay higher wages or permit shorter hours, strikes for higher wages and shorter hours can be judged solely on the basis of the reasonableness and justice of the demand itself. But it is equally true that where conditions are such, that no such margin exists or seems possible of being created, or where otherwise ways and means cannot be found for meeting demands for higher wages and shorter hours, or for meeting them without seriously retarding the whole industry, strikes to enforce such demands cannot be judged merely on the abstract justice of the demands themselves.

During the war and for the first year and a half after the war, conditions were such that almost any manufacturer could easily sell all that he could make at any price he wanted to ask. This coupled with the great shortage of labor, made it often at least temporarily profitable for employers to pay any wage that was demanded. As a matter of fact—as will be emphasized in Chapter XII, this very willingness of employers in many industries during this period to meet almost any demands for higher wages and shorter hours, irrespective of their effect on the future of the industry, was one of the chief causes of the disorganization, unemployment and wage reductions in these same industries a year later.

That wages were actually already so high, and working hours so reduced, during the great strike period after the war that they had in general ceased to be a real or at least a legitimate reason for strikes is the commonest knowledge.

This does not of course mean that labor leaders did not continue to talk higher wages to their followers and to make use of many ingenious devices to try to argue the need of higher wages to the public.<sup>1</sup>

<sup>1</sup> Mr. Samuel Gompers in attempting to answer the argument of the present volume asserts that the after-the-war strikes were necessary to keep wages from being out-distanced by the cost of living. He advances no figures or facts to back his mere assertion and ignores the figures stated herein.

## Higher Pay and Shorter Hours 109

For instance, in spite of the hundred thousand extra men in the industry which kept the average miner from working more than part time, the average wage actually received by all coal miners including the poorest paid assistants was \$1633 a year. With this fact a matter of public record, through the Senate Investigation, it obviously called for much ingenuity on the part of union leaders at the time of the 1919 coal strike to argue convincingly the need of a sixty per cent. raise. One of the subterfuges they resorted to, to thus make plausible such a demand, was to borrow a certain economist's figures showing that it required \$2200 to maintain adequately a family of five in New York City—where minimum rent was \$45 instead of \$7 a month as in the coal mine districts, and where many other costs differed in proportion—and carefully concealing the fact that this estimate was made only on a basis of New York City prices, attempt to make the public believe that a prominent economist had estimated that it required \$2200 for a coal miner to maintain his family in a decent scale of living. Many other very limited studies as to wage conditions and wage raises were similarly seized on and entirely misused by applying them to conditions to which they did not at all apply.

All such juggling of statistics also attempted further to deceive the public by comparing estimated



## 110      The High Cost of Strikes

cost of supporting a family with the income of only one member of a family whereas it is a matter of government record for the whole country that there are 1.82 wage earners per family.<sup>1</sup> In other words in eighty-two per cent. or over four fifths of all families a father or unmarried brother or sister or grown son or daughter also contributes to the family income.

Moreover, many labor leaders are still trying to excuse their part in the strike epidemic and in its results by insisting, on the basis of many such limited studies, that the public was all along entirely wrong about labor's high wages during the war and afterward, that on the contrary, because of the increased cost of living, labor's wages were actually much lower than before the war, and that their strikes were simply to make labor's wages keep pace with the advanced cost of living.

The ridiculousness of any such general contention can fortunately, however, be definitely shown. The United States Industrial Census which appeared two years before the war gave the total number employed and total wages paid in a big proportion of all American Industries for the year 1910. By dividing the total number employed into the total of wages paid we find that the average wage paid in all American

<sup>1</sup> U. S. Census, vol. iv., pp. 30-31, shows 1.907 wage earners per industrial family.



## Higher Pay and Shorter Hours 111

industry was about \$560 for that year—which figure was widely quoted and accepted at that time.

In 1912, Dr. Frank H. Straightoff of Columbia University gathered and analyzed all available figures as to average wages. His figures included the average earnings of 19,688,000 out of a total of 26,000,000 adult males in the whole country. He shows that of these 19,688,000 male workers, 64.8 per cent. received less than \$600 annual wage and 27 per cent. between \$600 and \$1000 annual wage. If we estimate the average wage of the 27 per cent. who received between \$600 and \$1000 as \$900 a year, which is obviously high, and place the average wage of the 64.8 per cent. who received less than \$600 a year at \$550, which is obviously fair, we find that the average wage of some 19,000,000 men workers in 1912 was about \$650 a year.

A study by the United States Commission of Labor of 55 industrial occupations at about the same time, shows that in 11 occupations studied, no workers received as much as \$800 a year, and that in the whole 55 occupations studied, the average annual earning was only slightly above \$600.

Again we know from an investigation made by the New York State Bureau of Municipal Information that the wage of all ordinary labor averaged less than \$2 a day, or under \$600 a full year, in fifteen leading

New York cities even in October, 1915. And we know from "Greater New York" statistics that the average of all industrial wages in New York City was \$653.12 per year in 1914.

In other words no special statistics which apply only in special cases, and often only express part of the facts in those cases, can controvert the general facts that throughout the country the average worker's wage before the war was only very slightly above \$600 a year—that between 1913 and 1919, prices in general went up about 107 per cent. and most of the necessities on which the actual cost of living is based had only gone up 60 to 80 per cent.<sup>1</sup> that, therefore, average wages would have had to go up to a little over \$1000 a year to keep pace with the cost of living. As a matter of fact, however, in the steel industry the *lowest paid* group of workers were by 1919 receiving over \$1400 a year. In the coal industry the average worker was receiving \$1633 a year for working about two thirds of the time; and in a hundred and one other industries the wage of common labor had gone to \$6 a day—three times what it was before the war. The dock workers of the Clyde, Mallory, and Old Dominion Lines—negroes in the South and foreigners in the North—were getting \$35 a week—three times what the average worker throughout the

<sup>1</sup>See table page 2.

## Higher Pay and Shorter Hours 113

country got before the war and they struck, at the tremendous cost to the public already emphasized, for \$44 for a 44-hour week or over four times what the average American worker received before the war.

In short the labor leaders' frequent claims to the public that the great after-the-war strike epidemic was necessary to bring general wages up to a level with the increased cost of living are the sheerest hypocrisy.

That all such arguments to the public in regard to wages were mere hypocrisy is further borne out by the fact that these same leaders had already at that time begun in their own circles to advance the argument—and two prominent labor leaders have even advanced it in public print—that they, the labor leaders, were put on the necessity of beginning to advocate government ownership, industrial co-management and other such radical programs in order to continue to justify their leadership, because wages and hours had already become so satisfactory that little more could be hoped for along this line.<sup>1</sup>

It is obvious therefore that the 40.7 per cent. of all strikes during 1919 which alleged as their cause the demand for higher wages or shorter hours or both were chiefly of three kinds:

<sup>1</sup>J. M. Budish and George Soule *The New Unionism*, p. 10-11 in particular and the whole volume in general.

*First:* Strikes which merely alleged higher wages or shorter hours as their reason for the effect of such demands on the workers or the public—the real point at issue being something entirely different. Mania strikes, graft strikes, outlaw strikes or other strikes that were mere incidents in political-labor fights for personal or group power are of this kind; or

*Second:* Strikes which because of the special after-the-war circumstances already emphasized resulted in easy victories for the strikers. These will be specially considered in Chapter XII; or

*Third:* Strikes in which the demands for higher wages and shorter hours were made in industries or under circumstances where it was practically impossible to find ways and means for granting them—in other words strikes which were hopeless from the beginning and therefore entirely futile.

## CHAPTER XI

### THE HIGH COST OF FUTILE STRIKES

At the time of the great steel strike in 1919, when the demand for a reduction of the twelve-hour working day in the steel industry was being widely agitated, the Inland Steel Company went entirely over to the eight-hour day. Within eighteen months, it was forced to go back to the twelve-hour day in order to keep its skilled working force from disintegrating to seek new employment where the men could again earn twelve-hour pay.

France has a national eight-hour law. But with the need since the war of extra effort to recoup war losses, French workmen have repeatedly struck for a longer working day.

Recognizing the obvious difference in conditions between the fall of 1919 and 1920, New York teamsters and New Jersey street car operators voluntarily agreed to increase their working day for the same pay.

Organized labor has made repeated attempts to get the support of the various farmers' organizations

## 116      The High Cost of Strikes

in their fight for a national eight-hour law. But the farmer, with his own personal experience as to how futile any arbitrary human schedule is in dealing with rain and sunshine, growing seasons, bad roads, limited labor supply, and other practical facts of his own production problem can easily appreciate that any attempt to reduce the widely different and complex production problems of the whole country to any arbitrary schedule—time or wage or otherwise—would be equally futile or prohibitively expensive.

At least the chief trouble with the whole Lenin-Trotsky scheme was that it entirely failed to recognize that all life is very largely built on, and determined by, facts. Many of these facts are fixed. The farmer has got to do most of his work in summer. The steel industry has got to run twenty-four hours a day. Many facts are not only fixed but variously fixed according to different fixed circumstances. While the farmer must do most of his work in summer the coal man must do most of his in winter. Again even though many facts can be changed they must be faced as they are till ways and means are actually found for changing them. The farmer who wants to raise crops in winter has got first to go South or to California.

Any scheme therefore—whether of running a government, or operating a business, or striking for



## The High Cost of Futile Strikes 117

higher pay—which attempts to include the many different facts of life in any arbitrary one-fact theory, no matter how plausible—which seeks to accomplish aims, no matter how idealistic or desirable, without facing facts as they are, or providing ways and means to actually change those facts, can only expect Lenine-Trotsky results.

One of the facts the B. R. T. men emphasized most strongly in their strike was that other rapid transit companies in and around New York had voluntarily raised the wages of their men. But the B. R. T. was in the hands of a Receiver. Thousands of investors, including widows and minors, who own B. R. T. stock had not for years received one cent of dividends or interest on the money they have invested. The receiver under the direction of the court had given the men a substantial raise the year previously and was willing to raise them again as much as he could. This strike cost the workers the eight per cent. increase the company could and did offer them, caused immense inconvenience and loss to the two million people of Brooklyn and did not, because under the special circumstances it could not, get anybody anything.

It was in connection with this strike that Judge Mayer stated a fundamental rule, which is generally applicable under similar circumstances, when he



pointed out that, "irrespective of personal sympathy with the men or their cause, it is dishonest to enter into agreements with workers that cannot be carried out, or can only be carried out at the expense of other agreements with, or obligations to, other interested parties or the public."

The dock workers' strike which tied up the Clyde, Mallory, and Old Dominion lines is another example of a strike making demands for the meeting of which no margin was available or could be created under the special existing circumstances.

These lines were being run at a loss of about six million dollars a year. They could not raise their freight rates even to make up this deficit, let alone to pay higher wages, without the permission of the Interstate Commerce Commission which permission, though long applied for, had not as yet been given. Irrespective then of what may be thought of the right or justice of these few hundreds of dock workers to have their wages raised from thirty-five dollars to forty-four dollars a week and to get a half holiday on Saturday—or the right and justice of their insisting on this demand at the price of raising the cost of vegetables for several months over one hundred per cent. to millions of families, the fact remains that under the circumstances, it was not impossible for these companies to raise wages so the strike not only

## The High Cost of Futile Strikes 119

did not, but from the very nature of the circumstances could not, gain anything for anyone.

Perhaps the most conspicuous instance in recent industrial history of a strike in which one of the demands, judged merely on its own merit, is entirely reasonable and just, yet judged on the basis of ways and means of carrying it out, offers one of the most complicated and difficult problems in modern industrial history, is the demand that some three hundred thousand men working twelve hours a day in the steel industry be given a shorter work-day.

There is no question that a twelve-hour day is contrary to our modern ideal of working conditions. The leaders of the steel industry themselves admit this freely. "Does the public think," remarked an executive of a big steel company at the time, "that we don't realize that twelve hours is too long to work regularly? But," he added, "I wish the public or labor or somebody could tell us how to find some way out of it."

Once a steel furnace is allowed to cool, its whole interior has to be rebuilt and slowly and carefully reheated. This makes it an imperative necessity that furnaces be operated full blast twenty-four hours a day. If the furnaces must be run twenty-four hours a day, the supply of raw material coming in and of semi-finished product going out, must be kept

moving twenty-four hours a day; which means that about half the equipment must operate day and night.

. In the steel industry the only possible schedule therefore for some half the workers is either an eight- or a twelve-hour day. Developed during a period when the twelve-hour day was general, and without any possibility as in other businesses of shortening its working hours gradually with a minimum of expensive readjustment to ten, then nine, then eight hours, it is inevitable that the steel industry should have continued longer than other industries on a twelve-hour basis.

Any sudden readjustment to an eight-hour basis means that it would be necessary to obtain immediately about one hundred thousand extra steel workers, a large proportion of them skilled steel workers. There was, of course, no such body of steel workers available following the war when the strike occurred.

By in the meantime paying the price in less efficient and decreased production, such a body of workers might, of course, in time be built up and trained from outside labor or from foreign immigration. But again at the time of the strike there was a tremendous labor shortage.

But this is only the first problem that would have

## The High Cost of Futile Strikes 121

to be solved before any reduction of the twelve-hour day is possible.

At the time of the great steel strike in 1919, when the injustice of the twelve-hour day was being widely agitated, the Inland Steel Company tried the experiment of going over entirely to the eight-hour basis. But after eighteen months' trial it was forced to go back to the twelve-hour working day in order to keep all its old skilled workers from seeking employment in other plants where they could earn twelve-hour pay. From this as well as general experience, there is little question that while steel workers would be very glad to work an eight-hour day for a twelve-hour pay they would be absolutely unwilling to work an eight-hour day for eight-hour pay, which would be equivalent to a one third or more reduction in their present wages.

Present pay on the other hand for three eight-hour shifts would mean an initial increase of  $33\frac{1}{3}$  per cent. to the principle labor cost of steel. For if the present twelve-hour men continued to receive twelve-hour pay for an eight-hour day, the present eight-hour men would immediately demand, with full justice, that they be raised to twelve-hour pay, and the nine and ten-hour men that they be raised still higher. And these eight- and nine- and ten-hour men constitute half the industry.

## The High Cost of Strikes

This would have meant an immediate unparalleled increase in labor cost and a corresponding increase in the price of our single most necessary and widely used manufacturing product at a time when the whole country is already staggering under high prices.

Such an advance in steel would undoubtedly have handicapped seriously our much needed railroad construction and reëquipment and general building operations for years to come.

Moreover, steel is second only to gold as a commodity of international commerce whose price is regulated by international conditions. Superior manufacturing methods have made it possible for American steel makers to offset the very much lower wages paid by their European rivals and compete in the world markets. The immense additions to our steel capacity during the war promised to make steel one of our trump cards in America's bid for world commerce.

In France where there has been a universal eight-hour day, strike after strike has been reported since the war against this law or to force employers to evade this law by furnishing two or four hours a day extra employment so that the war-impooverished workers may earn the extra pay. In Germany and Belgium also conditions have, or soon must, force a

## The High Cost of Futile Strikes 123

realization of the necessity of extra work as the only means of recouping their war losses, and these nations, too, have vastly increased their steel capacity during the war.

Any necessary serious advance in the production cost of our steel would therefore not only nullify our present favorable advantage but make us the victim of such foreign competition not only in the world markets but even in our own market.

If it could be actually shown that the steel worker himself preferred shorter hours to higher pay or that the public is convinced that, irrespective of his wishes, for the good of society men should not work more than eight hours a day—neither of which things have been shown—it is quite possible that during periods when the supply of labor is greater and the demand for steel temporarily slackened that a readjustment to an eight-hour working day could be effected on an economically sound basis. In fact, not only the eight-hour pay rate—long since established, which means that all steel workers get time and a half for all hours over eight, but many other developments, indicate that the steel industry is working as definitely as possible under the circumstances in this direction. But the attempt, by a group of radical labor leaders with only the ignorant foreign steel workers for a following, to force such a readjustment overnight dur-



ing a labor shortage and in a period of reconstruction when all the steel possible was needed by the country, was a use of a strike that was as criminal as it was futile."

Moreover, we must not lose sight of this fact that the thirty-five dollars a week that the foreign and negro dock workers had been receiving, and the sixty-two cents an hour the B. R. T. workers had been receiving, were considerably above the average which whole classes of clerks, teachers, and many other much higher grade of workers receive, and were nearly seventy-five per cent. above the minimum set by the war industries board even for industry. We must bear in mind, also, that while twelve hours is undoubtedly too long a working day from a socially ideal point of view, the very public and workers who preach an eight-hour day so constantly, are themselves, merely for their own convenience, constantly keeping a large proportion of our 1,500,000 retailers working far more than twelve hours a day and think nothing of it. The very forces of nature keep some ten million farmers working more than twelve hours a day and we all take it as a matter of course.

<sup>1</sup> Just as the present volume goes to press there are indications that the steel industry plans thus to take advantage of the present lessened demand for steel and present greater supply of labor to go to the eight-hour basis. It will be interesting to note how the very highly paid twelve-hour worker will like in the long run having his pay reduced to more nearly that of the average worker.



## The High Cost of Futile Strikes 125

In general it has always been characteristic of Americans when they have found that because of circumstances beyond anyone's control, they could not earn as much as they wanted to earn or conditions were otherwise unfavorable in the job or industry or locality where they were, that they have had enough American energy and initiative to go into some other job or industry where circumstances were more favorable to the exercise of their initiative and energy.

When our fathers and forefathers found that farming and industry in the East had become overcrowded, they never thought of striking against a situation that was inevitable. Nor have we any record of their trying to solve such situations by agitating for some visionary scheme in which the government or the State or somebody else was to take control and work some omnipotent impossibility for them. Instead by tens of thousands they went where opportunity was.

There was a tremendous shortage of labor in almost all fields following the war. Any worker in any industry which could not pay what the worker wanted to earn could, if he tried with one tenth of the initiative and energy that sent hundreds of thousands of Americans of other generations West and South, easily have found many jobs that would pay

him anything he could reasonably earn. But, of course, that would take him away from his local union where he was paying dues every month. And this is not only the basic reason why workers are consistently influenced and educated to depend on strikes rather than on their personal energy and efficiency for their jobs and their wage advances, but as will be shown later, this and similar motives of labor politics were the actual reason why most of such strikes were called.

It must, however, in justice to the great body of labor be pointed out that eleven thousand B. R. T. men did realize the special facts of that situation and only joined the strike because under the present system of labor politics, one thousand radicals could force them to strike. It should be remembered that the great body of employees of the Clyde, Mallory, and Old Dominion lines refused to join the dock workers in a strike so obviously unwarranted, considering all the conditions. It should be emphasized that the Inland steel workers who wanted to keep on earning twelve-hour pay, when that company went to an eight-hour basis had the initiative and energy to change their jobs to where they could earn this pay. Again, during the 1919 steel strike, over half of all the workers, including all the better-class skilled workers, refused to strike for two good common-

## The High Cost of Futile Strikes 127

sense American reasons: first, because they preferred the very high wages of the twelve-hour day and, second, because they realized that the fundamental basis of a vital, international industry cannot be uprooted overnight merely because an ignorant minority in the whole industry was persuaded by \$1,007,007.72 worth of political-labor propaganda to demand that it should be thus uprooted.

American industry has many ideals which are yet far from being realized. Because of human limitations and the stubborn persistence of facts, some of them must undoubtedly be slow of realization. But when left to themselves, average American labor, and when he knows the real facts the average American citizen, seldom fail to realize that the Lenine-Trotsky method of rushing at ideals without regard to facts or ways and means is not only futile but generally brings only Lenine-Trotsky results.

## CHAPTER XII

### THE HIGH COST OF STRIKE "VICTORIES"

CARPENTERS through various strike "victories" got a sixty-five per cent. increase in their rate of wages in 1919 but their actual earnings *decreased* three per cent.

The coal miners as a result of the great coal strike and all the maneuverings and politics and negotiations that followed got an increase of fourteen per cent. in wages. But because of a system which that strike "victory" helped to perpetuate the average skilled miner is getting fifty to sixty per cent. less wages than he otherwise would be earning.

As a result of the clothing strike "victories," wages were increased from about thirty-five dollars a week to sixty-five dollars and seventy-five dollars, and often more a week, for thirty-five per cent. less work. But a year later, during what is normally the busiest season of the year, half of all the clothing workers were walking the streets.

As a result of various strike "victories" in 1919, many classes of textile workers got an aggregate of

## High Cost of Strike "Victories" 129

twenty-two per cent. more wages for a considerably lessened production. But after months of idleness during the latter part of 1920 the same workers were glad to take up to a thirty per cent. reduction in wages to get back to work for even part time.

In the steel industry, on the other hand, where the strike failed, while wages were voluntarily raised from 114 per cent. to 150 per cent.—but on the basis of full maintenance of production—during 1920 there was practically no unemployment; the reduction of wages which some of the smaller companies made, due to the demand for reduced prices, were trivial in comparison, and the largest steel companies had, up to March, 1921, not had to reduce wages at all.

The fact has already been emphasized at length that throughout American industrial history higher wages and shorter hours have been permanently achieved principally because, through some increase in efficiency, greater production has been achieved and more goods could be made and sold because they could be sold at a lower or relatively lower price.

After the war labor undertook to work on exactly the opposite theory from this—that wages could be raised and hours shortened indefinitely by mere strikes irrespective of production or the consequent price to the public. Labor undertook to force the introduction of this theory at a time particularly

favorable to its temporary success when prices had already been very materially raised, values were very uncertain, and the whole country, because of its after-the-war reactions and prosperity, was buying very freely irrespectively. Because of these same conditions manufacturers in many lines yielded to this forced introduction of such a theory in their industry.

Thus at a time when already because of the war there was a tremendous shortage in all lines, and prices had already reached an unprecedented height, strike after strike piled up a tremendous further shortage in clothing, shoes, shirts, and a wide variety of other necessities or near necessities. This shortage sent prices sky-rocketing.<sup>1</sup> With these high prices and as long as such prices lasted, manufacturers could afford to pay labor almost anything at almost any terms of reduced production. They did, and the workers in these industries went back to work on such easy hours and high pay that they began actually to believe their leaders' assertions that "organization" and strikes were all that were necessary in order to get rich quick.

But suddenly a great public reaction set in. People decided they would not continue to pay these high prices. The war had taught them they could do

<sup>1</sup> A study of the curve of retail cost of clothes (see page 2) in connection with these facts is highly illuminating.



## High Cost of Strike "Victories" 131

without a great many things, and in the spring of 1920 they decided that they would do without even very many of the ordinary necessities of life till the prices came down. The public still continued to pay high prices for food, coal, and such things that it cannot exist without. But it stopped buying clothing, furniture, and a wide variety of such products so completely that there at once began to be a tremendous—not oversupply but oversupply at the price. As a result, by summer, factories began closing down on every hand or materially reducing working time. Labor for a time still theoretically enjoyed the high wages which its strike "victories" had won for it, but actually it continually got less and less benefit from them in its pay envelopes.

But this was only the first item in the price that labor has had to pay as a result of its initial "victories" in trying to introduce the glittering fallacy that high wages can be had by some other means than working and producing for them. The public's refusal to buy, which started as a protest against exorbitant prices in certain lines, continued and spread in spite of widespread and sharp reductions in prices. Partly as a reaction from the previous period of overspending and partly because the public has a way when once thoroughly roused of keeping going, it began to demand not merely substantial reductions of



former high prices but a reduction that at least approximated pre-war prices, and not only on the classes of goods whose former exorbitant prices had started the movement but in all lines. These lengths to which the public went in its own retaliatory strike not only continued and spread unemployment, but made necessary the very material wage reductions in many industries that marked the beginning of the next production season. This would not necessarily have been so much to labor's disadvantage if prices should remain at the sacrifice level of the beginning of 1921. But there are many reasons to believe that they will not, and the average employer after his experience of 1919 and 1920, including his very material losses from the enforced sale of stocks produced at spring of 1920 costs and sold at fall of 1920 prices, will undoubtedly for some time to come be a very different man from whom to try to get new raises in wages.

But this second high price, in prolonged unemployment and material wage reduction, which workers had to pay for their former strike "victories," was itself evidence of a third, corollary loss, in that it proved how conspicuously labor failed to capitalize and so share in the opportunity for continued and increased prosperity which our increased equipment, our possible new world-markets, as well as the condition and disposition of the American market

## High Cost of Strike "Victories" 133

held out right after the war to American energy and productivity.

There is no question that these strike "victories," at least for the time being, utterly carried away great classes of labor with the idea of big money for short hours and easy work. Whether or not labor will have to pay a fourth big price for these victories which led it to believe in such theories depends very largely on whether or not it interprets the subsequent results of those theories in their true light, or continues to allow itself to be deceived by the leadership which propounded such theories and is already busy at work explaining away their true results and propounding further theories calling for further strikes as a fallacious means of preventing the inevitable working out of their own fallacies.

While strike "victories" which perpetrate fundamentally unsound economic conditions must always inevitably be expensive to labor there is no question that in some cases this has not as yet become obvious to the worker himself.

Coal, for instance, is such an absolute necessity, and coal production is so absolutely dominated by the powerful coal miners' union that the average coal miner has experienced no special unemployment and no wage reduction. Moreover, the great coal strike, although it cost the country, including a mil-

lion other laborers, a billion dollars, got him a fourteen per cent. wage increase which he still enjoys. But it also strengthened the power of the system—which has already been described—which keeps a tremendous excess of workers in the coal industry and working on an average of only half to two thirds of the time, which means that to the average ambitious miner it constitutes one of the heaviest handicaps and taxes in industrial history.

Joseph Stewart, an unnaturalized Lithuanian, twenty-eight years old, with three in his family, worked in the Jerome mine, near Fayette City. He is an ambitious coal miner whose case is reported in the Senate investigation of December, 1919. By working steadily with some overtime, Stewart earned \$3,070.20 for the nine months for which the Senate had his record, or at the rate of four thousand dollars a year.

Joseph Grandosky, an unnaturalized Austrian, is another average skilled miner. He worked seventeen days less than full time during the same nine months and worked no overtime. His record, according to the same Senate report, shows that his earnings for these eight and a half months were \$1,792.67, or at the rate of over \$2,500 a year. Grandosky paid an income tax on \$2,345.73 in 1918. All this was before the strike and so before the fourteen per cent. raise.

## High Cost of Strike "Victories" 135

The Senate investigation further showed that the averaged more skilled miner, if he worked steadily eight hours a day *every day his mine worked*, could earn from \$2,500 to \$3,000 a year, and, if he worked overtime, that much more in proportion. But in order to give work to some hundred thousand or more extra men and keep them in the union paying some \$200,000 or more every month into the union treasury—which at present collects about \$11,000,000 a year—the miners are so discouraged from working more than part time that few of them dare or care to do it. So prevalent is this practice that in some districts any man is branded as a "scab" who works more than three days a week.

If the coal miners had not won their strike and the union leaders who perpetrated this strike had been totally defeated, if the hundred thousand or so extra men who are not needed in the coal mines should go back to the farms and the other industries from which they came, and where they are vitally needed, and the average skilled coal miner were thus permitted to work regularly, he would become one of the best-paid workers in American industry.

The coal strike got fourteen per cent. raise for all miners. It helped maintain a system under which the union is getting \$2,000,000 to \$2,500,000 extra dues every year. But this can scarcely be said to

## 136      The High Cost of Strikes

compensate the skilled miner who but for this abnormal system could work steadily and make from fifty to sixty per cent. more.

In the building trades, also, the nation-wide shortage of housing facilities, and the powerful hold labor organizations had on the industry, continued not only to maintain but to increase wages. But a special statistical study of the carpenters' trade showed that, while the rate of wages paid such workers thus increased sixty-five per cent., the actual earnings of the average carpenter was three per cent. less. And it is probable that if the facts in many other trades were similarly analyzed they would reveal a similar condition of wage raises which were largely or wholly fictitious, often chiefly because they were nullified by the extent to which labor leaders' pernicious or unwarranted interference handicapped building operations and so cut down the workers' employment.

In other ages when education was far less widespread, the man who could read and write and figure accurately was so much less common than the man who produced things with his hands, that the man who merely wrote out the reports or kept the books or records of what labor did and produced received a far higher wage than the men who did the producing.

But the man of to-day who with his hands and

## High Cost of Strike "Victories" 137

brain actually produces is far more valuable to society than is the man who merely makes figures or reports about that production.

The man who produces is to-day having the value of his work recognized on a new scale in his pay envelope. And every broad-minded, intelligent American knows that this is a good thing for both the economic and social advancement of the whole country.

The war with its upsetting of old standards and its readjustments of many things on a basis of greater fairness, and particularly in the way it brought home to all the people the importance of labor, is primarily responsible for the recent remarkable advance. Strikes are not. Strikes on the contrary have gone a long way toward taking away from labor the biggest advantages which the war brought.

There is no question, of course, that wages were brought to their high war level, not by unions or any other organized labor agency, but by the peculiar conditions and demands of the war.

Immediately after the war Mr. Gompers announced to all employers that the whole power of organized labor would work unitedly against any reduction of the high war wages. If Mr. Gompers had also announced to all labor—and insisted—that the united power of all organized labor would also work



unitedly for a continuation of the kind of production by labor that could make war wages profitable, it is very probable that this highly desirable program could have been carried out.

But instead of maintaining war production to justify war wages, four million workers, chiefly organized workers or workers who became organized as a result of such strikes, started going on strikes in which they themselves directly wasted 134,000,000 working days, and caused indirectly the total loss of other hundreds of millions of working days, which so further increased our production shortage that prices went up sixty-five points higher even than the high war level.

Thus, although employers did continue to pay the high war wages, labor itself in effect at once began to cut its own wages by forcing up prices on itself as well as on the rest of the country.

But when prices began to go up, even though chiefly because of labor's own failure to produce, organized labor at once changed its demand—not in order to increase production and help remedy conditions but by calling more strikes for still higher wages irrespective of production, and so continuing the much discussed vicious circle of alternately increasing raises in both wages and prices, of which the public became more and more the helpless victim

## High Cost of Strike "Victories" 139

till it took matters into its own hands by its own very effective strike for lower prices which lower prices had a very widespread effect in bringing down wages with them.

There have, however, been a sufficient number of very conspicuous exceptions to these general facts to indicate most convincingly that war wages might have been kept up if organized labor had paid any attention whatever to the necessary ways and means of keeping them up.

The United States Steel Corporation is, perhaps, the largest single employer in the country. Its 250,000 employees include skilled, semi-skilled, and unskilled workers. Their one strike by their unskilled workers was defeated and none of their workers are under the domination of organized labor. The company, therefore, in spite of the general falling off in efficiency of production was able to maintain full efficiency of production among its own workers. The wages of all these employees not only went up considerably above the war level but remained up through the following period of general wage reduction.

The General Electric Company employs chiefly skilled or semi-skilled workers. They are largely union men but their one strike immediately after the war for a reduced production efficiency was com-

pletely defeated, and the company was therefore not only able to maintain but to increase production efficiency after the war. All wages went above the war level and were not reduced during the following period of general wage reductions.

The White Motor Truck Company employees are chiefly skilled men. The recognized working principle of both management and men has been put in these words: "Production is the greatest essential in a factory. For the whole community to maintain a comfortable and humane standard of living, it is necessary for every man in the community to produce consistently. This idea in industry will inevitably take all of us forward to a better sort of industrial millennium than can be attained by any other method. For the industrial millennium, if it is to be attained, must come through intelligent work intelligently directed; it cannot be made to jump out of a box by pulling a string." There were no after-the-war strikes in the White plant. Wages, always high, increased materially beyond the war level and were not reduced during the following period of general wage reduction.

Out of over three thousand strikes in one year it would seem that there must have been many individual strikes which were called only after a careful consideration of all facts, and only as a last resort

## High Cost of Strike "Victories" 141

to enforce some reasonable and possible measure of justice, and which, therefore, in spite of their cost, may be justified from the point of view of the workers and at least partially justified from the public point of view. But, if so, such strikes were hopelessly hidden in the haystack of outlaw strikes, mania strikes, graft strikes, futile strikes, and of strikes where "victory" only brought or helped bring conditions worse than those it sought to remedy. Moreover, considering the reduction of standard working hours and the large advance in wages, both actually and in far greater proportion than to any other class, which the war had already brought to labor—considering also the special after-the-war conditions and the special disposition of employers to pay any reasonable or possible wage—there is no reason to believe that such strikes, which might thus be justified, were numerous enough to warrant classification.

The public, including a big proportion of labor itself, has undoubtedly long since reached the conclusion that the chief result of the great after-the-war strike epidemic was merely to pile up immense losses for industry without getting very much in actual results even for labor itself. A careful study of these strikes can only reënforce this general conclusion by showing that the actual losses, not only to industry but to the public and to labor itself, were far greater

than we had dreamed and that the results to everybody, including labor itself, were chiefly less than nothing—with one exception. *There is one very small special class which profited tremendously from these strikes.*

Again, the very fact that this after-the-war strike phenomenon is popularly referred to as an "epidemic" or "mania," indicates the popular conception that these strikes were chiefly due to upset industrial conditions and labor's natural after-the-war feeling of unrest—in other words, that these strikes were merely the workers' way of manifesting a temporary unbalance which other classes experienced and manifested in other ways, and so were one of the unavoidable indirect expenses of the war which had to be paid along with the other costs of the war.

Labor unrest as part of world unrest was unquestionably a big factor in the after-the-war strike situation. But it is impossible to have followed even thus far the facts here presented without a growing realization that this unrest was also constantly stimulated and manipulated and led.

It is these two facts—first, that there was a "small special class which did make a tremendous profit out of after-the-war strikes"; and, second, that the after-the-war labor unrest was not only "manipulated and led" but was deliberately and unscrupu-

## High Cost of Strike "Victories" 143

lously "whipped" into a strike mania, which furnished the simple clear explanation of the whole strike problem and constitute a far more serious indictment of these strikes than all their costs and losses put together.



## CHAPTER XIII

### STRIKES AS MERE INCIDENTS IN FIGHTS FOR PERSONAL POWER

WHEN Louis Fridiger, counsel for the B. R. T. Union, was pleading passionately with the men not to begin the Brooklyn car strike which rival leaders were trying to instigate, his argument included nothing as to the best interests of the people of Brooklyn—it did not even discuss the best interests of the workers—his whole interest was in the advancement of the union from which he derived his power and income, and his big argument and basic plea was that “such a strike will break up the best union in the country.”

It is a matter of court evidence that the Brotherhood of Railroad Trainmen has a reserve fund of *ten million dollars* in its treasury.

The Senate investigation showed that the United Mine Workers collects a minimum of *eleven million dollars a year* dues from its members.

Unquestionably many factors and conditions contributed to the coal strike. All factions among the

coal union officials were undoubtedly agreed on the strike's principal aim—that of keeping as many men as possible in the union. But the coal strike was forced at the time and in the way it was, in breach of the union's written contract, against the sure opposition of the government and public opinion, by one group of coal union officials who were not in power to compromise and possibly oust the coal union officials who were in power; and the coal union officials who were in power actually went through with the strike in open defiance of the government, and fought it out with such ruthless disregard of public cost and suffering, primarily to keep for themselves their offices and their power.

Political fights within unions, between individuals or factions, for control of such immense numbers of men as make up great modern unions, and for such immense sums as great modern unions collect and possess, and for the power which such control gives, are the principal reasons back of many of the costliest strikes we have had since the war.

All the underwear manufacturers in Cohoes, N. Y., were shut down for over a month during the spring of 1920—all their production stopped and thousands of producers idle—simply and solely because of a factional fight between two rival unions.

Ninety-five per cent.—nine and one half out of

every ten strikes in the building trades in 1919, according to a Senate investigating commission, were called simply as incidents in fights between rival unions for authority or jurisdiction or other forms of power. Take a single instance—the doors that go into modern fireproofing construction generally consist of a core of wood covered with metal. For years, all over the country, a fight has been going on between the carpenters' union and the metal workers' union as to which has jurisdiction over the men who hang this kind of door. In Boston, after a long series of strikes over this question, it was decided that this was a metal worker's job. In New York, after a similar long series of strikes, it was decided that it was a carpenter's job.

Again, one man used to set a locomotive headlight. To-day when a headlight needs setting four men have to do the job at more than four times the cost, because each man has to wait till another man does his part and puts up his tools before he gets out his own tools and does his part—all because of jealousies and rivalries between different unions.

The printers' strike, which cut the wages of a million and a half outside workers; part of the shipping strike, which almost paralyzed eastern industry for most of the spring of 1920, and a big proportion of the other more costly strikes we have had, were called

and continued despite every public protest and effort simply and solely because of some political fight between union officials for political control of some union or group of unions.

Practically all so-called "outlaw strikes" were of this kind, the only real difference between them and the strikes caused by jealousies and rivalries which recognized labor leaders did sanction, being that in the case of the "outlaw strikes" such jealousies and rivalries were directed against, or contrary to, the interests of the recognized labor leaders themselves.

The modern labor movement, of course, began because the average worker, without capital and absolutely dependent on his job, could not protect his own rights or advance his legitimate interests against his powerful employers.

Moreover, as industry progressed and the amount of capital and power in the hands of the employer grew, it was necessary that labor unions should become larger and better organized in order to have any chance to deal on equal terms with the employer.

As the power of the unions grew, the number and power of the individual labor officials grew, and also the amount of money collected from union members in dues grew. It is merely human nature that with this growth of union power and union income rival-

ries and jealousies for the control of that power and that income should grow with them.

Take the case of the metal doors with wood cores. Carpenters had always hung doors, and if they continued to hang them they could continue to pay dues into the carpenters' union.

But when metal doors began to be used, the job of hanging this kind of doors was one which could logically be claimed as a metal workers' job. If the metal workers' union could enforce such a claim it would mean that all men who have to hang such doors would have to come in and pay dues to increase the power and income of the metal workers' union.

This is a simple illustration on a small scale of a condition that has grown up in and permeates all organized labor from the simple local union to the great national and international amalgamations and federations, until to-day scheming and fighting and maneuvering to increase the power of their particular union or group of unions by increasing its membership and the income it gets from its members, undoubtedly demands a far larger part of the average labor leader's skill and energy than any relation between the union and the employer.

It does not, of course, make much difference to the ordinary worker whether he belongs to one particular union or another. Nor does the average union mem-

## Strikes for Personal Power 149

ber get any special benefit from, or have any special interest in, the fact that his particular union has 100,000 or 200,000 members in the rest of the country, or whether these members pay \$1,000,000 or \$2,000,000 a year into the general union treasury.

But the increase of the power and income of his particular union does offer big advantages to the union leader, because it means a corresponding increase in his own prestige and power as the man who controls them.

This is why professional labor leaders welcomed and manipulated and exaggerated labor's after-the-war unrest into a strike epidemic and took every advantage of it to fight through strike after strike to increase the power and income of their own particular union or group of unions. This is why, irrespective of its inevitable effect on industry, they dangled before their followers the lure of wage increase after wage increase as an incentive for more and more strikes. This is why they did not scruple at attempting even such an industrial and public catastrophe as the outlaw railroad strike. This is why also, that as long as the present system of labor organization, with its constant incentive to ambitions for such labor-political power and income, continued to exist; and as long as labor leaders continue to have the unrestricted use of the strike as an easy and convenient



weapon for furthering such ambitions, there is little question that labor leaders will continue to use strikes in the same unscrupulous and costly manner whenever they find it convenient and possible.

But again, the possibilities of power and prestige which go with control over tens of thousands and hundreds of thousands of union members and the immense sums these pay in dues, result not only in intense rivalries between unions, but between individual leaders or groups of leaders within a union, for that control. And these intra-union rivalries also have been the cause of some of our most costly strikes.

The bituminous coal miners' union has for a good many years collected a minimum of over eleven million dollars a year members' dues. How many of these tens of millions of dollars may still be in the treasury no one in the world but a few inside union officials know. The Brotherhood of Railroad Trainmen has a reserve fund of ten million dollars in its union's treasury.

There are other labor organizations whose members also pay millions of dollars into the hands of a few officials.

Management, which is generally secret—and as far as the public knows responsible to no one—of a fund of ten million dollars a year and perhaps of even greater sums in reserve; the tremendous industrial

and political power which their influence over hundreds of thousands of union members gives to higher union officials; the opportunity which present conditions give to high union officials of publicly and conspicuously exercising their power, of being able to fill columns of newspaper space with their interviews and arguments with great corporation presidents, Senators, Cabinet members, and even the President of the United States, all offer a tremendous temptation and incentive to labor leaders to scheme and maneuver and fight within the union with one another, to obtain for themselves, or hold against personal rivals, control of such financial and political and conspicuously public power.

The engineering of big, conspicuous strikes, which, whatever their effect on the public or on labor, could be made to bring a technical victory for the labor leaders who called or handled the strike, or the forcing of such big, conspicuous strikes with the idea that they would be defeated and so bring defeat on some rival leader who had to call or handle them, have been notoriously one of the chief means which labor leaders have used in their struggle for control of union power.

During the war Mr. Frank J. Hayes president of the United Mine Workers of America, had been what was known as one of the Administration labor men.

## 152      The High Cost of Strikes

In fact, he became so closely associated with the Administration's ideas and policies that he went to Paris with President Wilson as one of his labor advisers on the peace treaty and the League of Nations. During Mr. Hayes's absence in Europe the affairs of the bituminous coal miners were in the hands of John L. Lewis, acting president, and William Green, secretary-treasurer.

It was common knowledge in coal circles that certain powerful Western State officials of the United Mine Workers had for some time previous to this, by political maneuvering and by alliances with the more radical element among the miners, been continually increasing their power in union affairs, and it was commonly admitted that they were aiming at control of the national union. It is also obvious that the prolonged absence of the union president in Paris and reports of a break-down in his health made the summer and fall of 1919 a psychological moment for seeking to increase this power.

Now the most obvious and generally used method in labor circles of weakening your rival's hold on his followers and increasing your own hold on them is to promise that if they will follow you, you will get them higher wages than your rival has been able to get for them. Acting on this very simple and effective and common practice this group of state officials proposed

## Strikes for Personal Power 153

and began a widespread agitation among all coal workers for a sixty per cent. raise in wages or a strike on November 1st if this increase were not granted.

A coal strike in November, just at the beginning of the winter, would be a national calamity. The government would not allow it. Moreover, Mr. Hayes, president of the union, who would have to call such a strike, had personally signed a wage agreement, under government supervision, which would have to be definitely and publicly broken if the strike were called November 1st. In addition to this, Mr. Hayes's close association with the Administration before and at Paris combined to make it practically impossible for him to call such a strike, and it would obviously be futile for him to propose such an advance, in breach of his own contract, unless he backed it with a strike.

On the other hand, the "sixty per cent. increase on November 1st or strike" had been so skillfully agitated among the miners, and particularly among the local leaders and delegates, and such a large sentiment had been created in favor of it that if Mr. Hayes should oppose it at the union convention, where it was to be brought up, there was the greatest possibility that he might be defeated and ousted from power.

## 154      The High Cost of Strikes

But whether because of these circumstances or because his health actually would not permit, Mr. Hayes, when the Paris Conference was concluded, did not reassume the duties of his office, but went directly to a sanatorium in Colorado. This left Mr. Lewis, the acting president, and Mr. Green, secretary-treasurer, face to face with this situation:

If they opposed the "sixty per cent. increase or strike" there was a probability that the miners' delegates would vote to carry this program over their heads, which not only meant great loss of prestige but the probability that the opposing faction that originated and popularized the sixty per cent. increase demands would come into full national power at the next national election.

If, on the other hand, Mr. Green and Mr. Lewis acquiesced in the "sixty per cent. increase on November 1st or strike" they would still receive little credit because the movement had been conspicuously originated and advanced by their opponents. Moreover, as the officials in power, they would bear the responsibility before the government and public opinion for calling such a strike; they would bear the burden of managing the strike; and if such a strike—based on a breach of written contract, necessarily bitterly opposed by the government and the people, and one whose very threat would impose a tremen-

dous hardship on the people—should, as seemed inevitable under the circumstances, be defeated, Mr. Lewis and Mr. Green would have to bear the blame among all the union members for the defeat. And this again promised well for their opponents at the next national election.

Obviously Mr. Green and Mr. Lewis faced an almost complete dilemma. The trap was so laid that either to oppose the strike or to carry out the strike seemed to mean defeat and loss of prestige and probably loss of office. Obviously, as a matter of practical strategy, there was only one way in such a situation that any leaders could expect to keep their prestige and their power. First, they would have to substitute a program even more popular with the men and for which they could claim the credit; and, second, they would have to carry this program through to victory, or at least to enough victory to satisfy the men that they had got for them everything it was possible for anyone to get.

Messrs. Lewis and Green did exactly these two things. They originated a new program of not only a sixty per cent. advance, but that advance for thirty hours' work a week. Then they fought to carry out this program with every weapon and every means in their power. As an incident to this fight over



156      The High Cost of Strikes

mere personal, labor-political ambitions a million other laborers were thrown out of employment and the country suffered over a billion dollars' loss. But Messrs. Lewis and Green kept their jobs.

## CHAPTER XIV

### STRIKING FOR MONOPOLY DOMINATION BY A CLASS OF EVERYBODY'S NECESSARIES OF LIFE

"NOTHING in the way of good industrial relations is to be expected from organized labor as represented by the American Federation of Labor and the four Brotherhoods. The only peace which can come out of those organizations is the peace of an *absolute domination*—not only of the American industries but of the government itself."—Dr. Charles W. Elliott, President Emeritus of Harvard University.

The "twelve-hour day" and "collective bargaining" were the reasons publicly assigned for the steel strike. But Wm. Z. Foster, who led this strike, himself states the real reason why the American people had to pay some five hundred million dollars for such a strike, when he says in his own book describing this strike:

"As the war wore on—the situation changed rapidly in favor of unions. The demand for soldiers and munitions had made labor scarce; the steel industry was the master-clock of the whole war

## 158      The High Cost of Strikes

program and had to be kept going at all costs. . . . It was an opportunity (for) . . . one mighty drive to organize the steel plants of America . . . such as might never occur again."

Moreover, Mr. Fitzpatrick, the other most important leader of the steel strike, entirely confirms Mr. Foster by his testimony before the Senate Committee that: "The labor organizations, realizing what tremendous influence the steel industry has on all other industries, made up its mind that it would have to organize the steel industry, no matter at what cost."

When the great Amalgamated Iron Steel and Tin Workers' Union was asked to assist to win the steel strike they replied that they would only help on condition that they should have a fifty-one per cent. control in the management and the result of the strike. And the different unions who furnished the \$293,139.66 which was to be spent on "organization propaganda" prior to the strike to arouse the workers to a willingness to strike, put in this \$293,139.66 only on condition that they should receive back \$3.00 per man, or about \$1,500,000, if the strike were won.

Business agents of a garment workers' union admitted, according to court evidence, that their strike was being called "to increase the funds of the international union, which thereby would get new

## Labor-Monopoly Domination 159

members who would be required to pay \$17.50 for a membership book."

The Brotherhood of Railroad Trainmen has a reserve fund of ten million dollars in its treasury. The Coal Miners' Union collects a minimum of eleven million dollars a year dues from its members. What its reserve fund is no outsider knows. There are other big unions whose financial resources—though they keep them very carefully hidden—must be as great or nearly as great as these, and scores of smaller unions whose incomes and war chests are in relative proportion.

The Republican party, comprising very conspicuously over half of all the people of the country was accused during the presidential campaign of 1920 as though it were a crime, of attempting to raise fifteen million dollars in order frankly and openly to put before all the people its ideas of what is for the best good of all the people.

The great union leaders can and do command sums many times greater than this, which are used in ways that are largely hidden and unaccounted for to advance the interests of powerful and publicly irresponsible organizations which at most represent less than ten per cent. of the people.

Neither the President of the United States nor any officer or group of officers in our entire government

possesses the possibility of such power to injure all the rest of the people as is possessed and was exercised by the coal union leaders. The basis of this power is the fact that with the eleven million dollars a year dues they can maintain a labor organization which can absolutely control the labor in the coal industry and that therefore has a monopoly domination over this great industry that is vital to the whole nation.

In addition therefore to the fact that has already been emphasized; namely, that such immense sums offer a constant temptation to different factions within the unions to fight for control of these sums and the power such control gives—fights for which power have been one of the causes of some of our most costly strikes—the very existence of such sums, under irresponsible labor leaders' control—the possibility through strikes of raising other such sums and thus acquiring more such power has created a condition of labor monopoly domination in certain great industries and the ambition for labor monopoly domination in more and more great industries which is the real crux of the whole strike situation and the most vicious menace which has ever threatened America and Americanism.

In Russia, the small minority labor class to-day completely dominates the whole government. In

## Labor-Monopoly Domination 161

Germany, the labor class minority has a disproportionate voice in the government and has in certain crises absolutely dominated the policy of the government. In England, the labor class minority is frankly and openly working toward the domination of the majority of the rest of the people.

Now, the means by which labor minorities have thus dominated or sought to dominate has not been through orderly processes of government, but through getting a monopoly control of the production of the necessities of life, and then threatening to cut off the necessities of the people until they obtained the individual or class advantages which they sought.

Powerful labor leaders in America to-day have exactly such a monopolistic control in the basic coal industry,<sup>1</sup> and they, through their absolute control of the labor which is necessary to the production of coal, exercised exactly this kind of control in the coal strike.

The government itself ordered the union leaders to call the strike off. The leaders went through the form of sending telegrams to the local unions which did not and could not bear the official union seal

<sup>1</sup> "The organization known as the United Mine Workers of America and its branches, as conducted and managed at the time of the suit and for many years before, was a *common law conspiracy* in unreasonable restraint of trade."—Justice Pitney, United States Supreme Court.



without which, under union law, no union document is valid. These telegrams, therefore, were not meant actually to call off the coal strike as the government ordered. They were not understood by the men as an order to call off the strike, but merely as a subterfuge, and they did not call off the coal strike. The government said it would not treat with the union leaders till the men had gone back to work. But the government did depose Mr. Garfield, the fuel administrator from power at command of the union leaders and not only treated with but made agreements with the union leaders before the men went back to work. The union leaders did not get all they tried to get out of the coal strike but they did dominate the government sufficiently to demonstrate to labor the possibilities of making even the government yield to their organized power.<sup>1</sup>

Organized labor has also long had such a monopoly domination in many other industries. In the building trades it has conspicuously had and exercised such domination, in many cases just as unscrupulously as we now know Brindel exercised it in New York. Nominally organized labor has such a domination in the railroad field but fortunately most

<sup>1</sup> "If you complain that four hundred thousand men held up the government, what will eight million of them do, if they can, to hold up the government?"—Garretson, President Order of Railroad Conductors.

## Labor-Monopoly Domination 163

of the workers are of a class which has not in the past permitted that domination to be actually exercised very far.

The war offered a particular favorable opportunity for the extension of this monopoly domination of industry through a more complete organization and control of the labor whose work is absolutely necessary to the operation of industry. As Mr. Foster puts it "the gods were fighting on the side of labor"—it was an opportunity to "organize" labor such as might never occur again. As a result of this more intensive "organization" and because of the vast numbers of new workers who had come from all sorts of miscellaneous jobs and minor industries into the great basic "industries which were thus being 'organized,'" the union membership of the country doubled during this period and the union membership in many industries particularly affected by the war increased many times that.

As a result, labor leaders exercised a degree of power and influence they had never before approached. Even minor labor leaders held important industrial situations in the hollow of their hands. Brindel's curt instructions to a contractor to raise his price from \$175,000 to \$400,000 on a job, and Mr. Mahon's mere "no" over the long distance telephone which forced two million people of Brooklyn

to endure the Brooklyn Rapid Transit strike, are far more typical than the public has ever appreciated. As for the big labor leaders, it is well known that their favor was sought even by presidents and prime ministers. That it should be the supreme ambition of labor leaders, and the basic policy of labor organizations to continue such conditions after the war is natural and obvious.

It is also obvious that when the war ended the average worker too was very anxious to maintain the advantages—particularly the new wage scale—which the war had brought him. Moreover, the vast numbers of men who had come from miscellaneous jobs into the great industries and enjoyed all the advantages which the war had brought to the regular workers in those industries were not only equally anxious to keep their war scale of wages but were particularly anxious to keep their special war jobs in order the better to insure this.

The situation both in regard to the position and ambition of labor leaders and the positions and ambitions of the average worker pointed directly and obviously to the logical line of strategy which labor leaders at once adopted—that of demanding a continuation of war wages and in addition ■ decrease of hours so that all the new men who had come into the “organized” industries during

## Labor-Monopoly Domination 165

the war could be kept in these industries and so in the unions.

In pursuance of this strategy, labor officials, who were still at that time preponderantly of the so-called "conservative" as distinct from the radical group, immediately and widely announced that the employers of the country were planning, at the end of the war, to at once reduce labor to its former positions and wages. They therefore called upon all labor to stand unanimously by its leaders in their fight to keep for labor its war jobs and war wages.

The first big strike after the war—that in the General Electric Company plants—was a test strike on this program. It asked for no increase in wages, but did ask for decreased hours, so that the extra workers who had come into the industry during the war could be maintained in their jobs and in the unions.

But the General Electric strike was a failure—chiefly because the big majority of the better workers who would be able to keep their jobs and their wages on their own merits had no enthusiasm for a strike which might risk their jobs and lose these wages, merely for the sake of keeping in the union less efficient workmen who could not keep their jobs on their own merits.

Moreover this strategic program of the so-called

"conservative" union leaders was at once influenced by another important development.

The great majority of skilled workers in industry who are always able to keep their jobs and get good pay on their own merits may be union members and firm believers in unionism as a constructive force in industry, but they have always repudiated the radicalism and labor chauvinism of the German or Russian type that seeks a monopolistic labor domination of industry as a means to minority domination of the country.

The big body of new and nondescript workers, on the other hand, who came into the unions in such numbers during the war and who feared that the end of the war meant the end of their war jobs and high war pay, became easy converts to this labor radicalism and began to give radical leaders an increasing weight of following which made it possible for them to get control of the union organizations in many of our greatest industries. And in most others it made them powerful enough to force the less radical leaders to adopt radical programs to keep their power.

Moreover, radicalism at once won a conspicuous and sweeping success by an almost complete unionization of the clothing industry.

In the clothing trades, workers' wages had already gone up, because of the demand during the war, from,

## Labor-Monopoly Domination 167

perhaps, the lowest paid to \$30, \$35, and \$40 a week. While the work on uniforms and war equipment was, of course, about to be discontinued the discharge of four million soldiers, each with a considerable bonus in cash, meant a big increase in demand for ordinary clothing that was bound to continue the demand and maintain wages in the clothing industry.

The great bulk of workers in the clothing industry had never been skilled, and therefore never very well organized. If they could be organized, however, this very fact would put them more completely under control of their leaders. And the numbers of workers, of course, meant especially big sums in dues to increase further the power of its leaders.

The tremendous demand for clothing created by the discharge of four million soldiers offered a remarkable opportunity which union leaders would perhaps never have again to promise immense increases in wages if the workers would join the union, with a practical certainty of being able temporarily to make good on that promise because of these special circumstances.

In the beginning of 1919, therefore, union organizers started an intensive campaign among those disorganized or semi-organized workers, promising them if they would join the union, the union would get them twice even their high war wages. With



such an incentive the union membership increased sixfold.

As a result of this clever strategy another big basic industry was put under the domination of men who seek only their own or their class interest. And a new source of income was created which must amount to at least many hundred thousand dollars a year with which to perpetuate and extend this domination.

The strangle hold which this labor monopoly thus got on the clothing industry sent prices, as has already been emphasized, to a point where the whole public openly rebelled, and through months of refusing to buy clothes temporarily broke this hold. But if these and other leaders had been only a little less radical and had forced prices merely to a point just short of where they would arouse general public action the public would undoubtedly have had to continue to pay indefinitely. Moreover, in the case of coal and other more urgent necessities the public cannot do without.

The failure of the General Electric strike and the success of the clothing strike pointed certain very conspicuous lessons which labor politicians were not slow to see—that in their strikes for maintaining their unions at their full war membership and strength, first that they could not depend on sufficient

## Labor-Monopoly Domination 169

support from older skilled workers in strikes which were obviously merely in the interest of the itinerant war worker and his being retained in the union, and second, that they could not hope to win such strikes without the older skilled workers' help, and third, that the one way to assure his active support was through promising him a material increase in wages.

Moreover this very necessity of fighting for big wage increases even above the high war level in order to induce the better class workers to support these strikes to maintain the unions at full war strength at which strength it dominated their industries, of itself made it even more necessary for such organizations to dominate their industries in order to win their fights for these wage increases.

In other words, both the strong rivalry of radical leaders whose chief and specific aim was the domination of their industry by their union, and the very strategic necessity of the circumstances, forced all organized labor more and more into a position where it had to make its chief policy that of completely dominating its industry in order to maintain its organization. And in order to do this it had to keep its members constantly in hand and ready to strike through constant agitation and through continued increases or at least promises of increases in wages.

Not only, therefore, does the very existence of such

monopoly domination over industry by labor organizations carry the possibility of great injury to the public, but the very means by which such domination has had to be achieved necessitates an unscrupulous attack on public interest by constant strikes, and continual unjustified raises in wages. That this was not only true under the special conditions during and just after the war, but is generally true is amply demonstrated by the labor history of the coal and building industries which have been perhaps longest and most thoroughly controlled by labor monopolies.

But labor leaders during the war and in the strike epidemic period after the war in no sense limited their efforts to extending and maintaining a domination in the industries already held. On the contrary, not only through the great clothing and steel strikes but through many lesser strikes they constantly fought to extend their power and domination over new industries.

For it is perfectly obvious that if the present organization of five hundred thousand men and the collection of eleven million dollars annual dues can give labor leaders such a control of the coal industry for instance, as makes it possible for them to keep one hundred thousand extra men at work and paying dues to them, and to otherwise dominate the conditions in that industry so as to assure a continuation

## Labor-Monopoly Domination 171

of their power and income, that just in proportion as they can similarly "organize" other great basic industries they will have just that much greater power and income with which to further their own or their mere class interests.

It has long been a fundamental union policy to work for a more and more complete control of our big basic industries. But formerly union leaders had a considerable respect for the power of public opinion, and their method was usually to go slow and wait for favorable opportunities. They generally let the workers themselves take the initiative, and if a cause for which they were striking was just and was otherwise susceptible, with the right kind of presentation, of getting public sympathy, the big amalgamated or federated unions would come in as the champions of the oppressed worker who were not strong enough to fight their own battles, and in that way build up their power in that industry.

But for the radical labor leaders who now dominate organized labor or are in sufficiently powerful positions to force conservative leaders into radical policies in order to keep their jobs this process is entirely too slow.

Formerly, also, any group of labor could not be depended on to go immediately on strike because some outsider told them to strike for some grievance

which they had never thought of themselves or for a union not yet in existence. But after the war the strike epidemic, encouraged and manipulated as has been described, soon become so widespread that great classes of labor would stop work on practically any pretext and on practically anybody's say-so.

Moreover, labor leaders soon found out that the public could be made to stand for far more than they had imagined or at least that it was not organized or united enough to make its opinion count.

Therefore, whereas, under the old strategy of waiting till the workers had a real grievance and themselves took the initiative in striking, it took years to completely organize an industry and to build up the power and the millions of dollars income which the organization of great industries gives, radical labor leaders became more and more convinced that, with labor's willingness to strike and the public's supineness, they could grab off a whole industry and make millions of dollars in dues available immediately at one stroke.

The idea was naturally vastly intriguing to the big labor leaders and they lost little time in taking steps to carry it out. But great basic "unorganized" industries are not numerous so competition sprang up for the privilege of such "organization." Radical leaders "organized" the clothing trade and radicals

## Labor-Monopoly Domination 173

won the privilege of leading in the 1919 attempt to "organize" the steel industry, but many other groups of unions insisted on having a share in the efforts and prospective profits. How keen this competition was, and that some of the coöperating unions had a greater interest in their own share of the prospective spoils than in the success of the movement is strongly suggested by Mr. Foster's recriminations in his book describing this strike.

The extent to which such competition among unions and leaders for the profits of engineering and controlling labor organizations in new fields was often carried is further strikingly suggested by the fact that a meeting in New York City in September, 1920, which was to determine the control of a new super-monopoly to control all New York unions and at which Mr. Gompers himself presided, ended in a free-for-all fight among rival labor leaders which required the calling of extra police reserves.

Moreover, the fields for such efforts are so limited and the prospective profits and power so great that the failure of one such "organization" scheme, due to the fact that a majority of the workers indicate by refusing to strike that they do not want such "organization" of their industry, only seems to whet the labor leaders' ambition.

In August, 1920, just a year after the failure of the



great and expensive steel strike of 1919, the executive council of the American Federation of Labor met at Atlantic City to map out a tremendous new campaign to attempt to "organize" the steel industry in 1921. Several interesting facts have already leaked out. Thirty unions have been let in on the drive. The Amalgamated Association of Iron, Steel, and Tin Workers it is understood again refused to help such a movement unless it received a fifty-one per cent. control of the organizing committee—which presumably meant fifty-one per cent. of the power and the income if the drive went over. Whether this particular faction succeeded in getting these demands or not has not been announced. There is, of course, to be a large war fund used for intensive propaganda work to arouse the workers to a willingness to strike if the leaders decide they want a strike. Secretary Morrison refused to state the size of this fund. Nor did he say how it had been subscribed, how it was to be used, whether those who subscribed it were promised five hundred per cent. on their "investment" as in the former steel strike, or what other promises were made to those who subscribed it. Secretary Morrison, however, most casually and naïvely, did say: "I should not say that a strike is contemplated. I should rather say that 'organization' is the objective."

## Labor-Monopoly Domination 175

In other words, the big steel industry, which is almost as important to the country as the coal industry, is again to be the victim of tremendous labor agitation, artificially forced from outside. The men who are forcing this agitation are not themselves connected with the steel industry, nor have they been elected or given any authority that is known of by the steel workers to represent them. They certainly do not represent the users of steel or the public in general. These men in their preliminary announcement, moreover, make no mention of any consideration of public interest. They make no mention of what it is proposed to do for the steel workers. They are obviously concerned chiefly with maneuvering and jockeying with each other for special preferred positions in a proposed fight to increase their own power.

The last steel strike cost the public nearly five hundred million dollars. A bigger, better organized steel strike would probably cost the public far more than this.

But with, or perhaps without, a strike—it is admittedly merely a matter of strategy whether the public must bear the cost of a steel strike or not—there is the chance that labor leaders can get a strangle hold on another great basic American industry, through which they can still further threaten or punish the whole people as they have already

176      The High Cost of Strikes

threatened and punished them through their labor monopoly control of the coal industry; there is a chance that five hundred thousand new members may be brought under their control who would pay about ten million dollars a year into treasuries they control. The public be damned!

## CHAPTER XV

### STRIKES AND RADICALISM

ORGANIZED labor to-day is supposedly divided into two groups according to its ultimate aims. The so-called conservative group which it is publicly claimed still controls the majority of the old established unions as well as the American Federation of Labor, is theoretically willing that private capital and private energy should keep the burden and responsibility and the nominal management of industry. Its leaders merely aim ostensibly, through absolute monopoly of the labor market, to tax all labor and to dictate how labor shall work, under what conditions it shall work, what it shall be paid, and so, only indirectly, dictate volume of production and prices to the consumer.

But there has also grown up largely since the war, as has already been emphasized, a powerful radical group which controls labor organizations in a number of industries and whose growth in and fight for control of the so-called conservative unions precipitated some of our biggest after-the-war strikes. This

group aims definitely and admittedly at the complete breaking down of our present industrial system as the first step toward complete control, ownership, and management of all industry by these unions.

The socialist party, which is the chief political expression of this radical industrial policy, which in 1900 polled less than one hundred thousand votes, in 1920 polled a million votes and claims several times more followers, chiefly unnaturalized.

The Amalgamated Clothing Workers of America, with their affiliated organizations, have grown to a membership of over four hundred thousand. The breaking down of the present industrial system is stated in the preamble of their constitution as the fundamental motive of their organization.

The leaders of the steel strike in 1919, which called out three hundred thousand workers, were radicals, and the organization propaganda in connection with the strike was ultra-radical. During the last few years, radicalism has gained sufficient influence in the United Coal Miners' Union with its five hundred thousand members to force, in the way that has already been emphasized, the great coal strike of 1919. Even the American Federation of Labor and affiliated Brotherhoods with some four million members has itself become so vitiated with radicalism since the war that it has conspicuously

departed from many of its most consistent former policies.

This growth in radicalism and the crystallization and organization of the radical spirit into a powerful fighting menace, which to-day has a permanent hold on many of our great industries, and which is in a position as never before to maintain its organization and power, is the result of strikes and the possibility of the unrestricted use of the strike weapon.

Americans in general have always been amusedly skeptical as to the possibility of any menace to them from the kind of men and the kind of ideas by which radicalism is represented. They can see little danger from a million socialist votes or even from several times that number in our electorate of thirty million. They can see little danger of the possibility, considering the whole heredity, history, and point of view of the American people, that any radical revolutionary program can ever get a hold on any numerically important proportion of average Americans—and they are unquestionably right about this. They take it for granted that minorities, no matter how noisy they may become, cannot overthrow our industrial or any other particular part of our social organization, against the will of the majority.

While the sudden tremendous growth in radical activity since the war, and the tremendous influence



## 180      The High Cost of Strikes

it has had on general industrial unrest and our widespread strike mania, has been too obvious to be denied, the average American has looked on these as merely a by-product of the war, one of its unavoidable costs that must be borne and paid but which will work itself out, then disappear as suddenly as it arose. For from the common-sense, self-reliant American point of view it is difficult to believe that any considerable number of other Americans, or even of foreigners subject to American influences and conditions, can continue to hold and act on views that are so opposite to individual initiative, practical common sense, and everything else that America conspicuously stands for.

But such optimism completely overlooks three very important fundamental facts in regard to the rise and present strength of radicalism:

*First*, that there have come about in America, certain fundamental changes in the environmental influences to which millions of Americans have, for almost a generation, been exposed and which have been making for the very point of view which radicalism expresses,

*Second*, the fact that radical leadership has for years been working with the easy tide of these influences and had already built up an immense unorganized following which, through the widespread strike

epidemic after the war, it was able to organize into a concrete offensive force,

*Third*, and most important of all, the fact that by getting a bare majority control, or even a sufficiently large minority to influence the control of our great labor monopolies in our chief basic industries, radicalism has become a power and a menace out of all proportion to its mere numerical strength.

It is an axiom of psychology that both individual and group points of view are the products not only of heredity but often even more of environment.

America was settled by men and women with ideals and ambitions for personal liberty and personal economic advancement. Generation after generation the undeveloped portion of the country held out continually new incentives to ambitions for greater personal freedom and wealth. Pioneer life was a life of realities that constantly demanded individual self-reliance, energy, and practical common sense so that both heredity and environment bred and emphasized these characteristics in our race.

Farming scarcely less than pioneering demanded these same qualities and for generations some three fourths of all Americans, through a life in constant touch with realities, where cause and effect worked directly and obviously, learned from first hand experience of themselves and their neighbors that the

one road to success was through individual initiative, hard work, and hard common sense, while their opposite led equally directly to the poor farm. Moreover our early immigrants went almost entirely to the land and whatever their heredity point of view, learned through first-hand experience in the same environment the same simple, practical philosophy of Americanism.

As America grew and the needs for transportation, communication, and a more complex industrial system developed, their creation offered a still newer, bigger incentive to individual ambition. And because, just as with pioneering and farming, they offered practical problems and dealt with realities, they rewarded that ambition in direct proportion to the individual initiative, energy, and practical common sense displayed, and thereby emphasized and idealized these characteristics still further.

In other words it cannot be over-emphasized that our fundamental American characteristics of individual initiative, energy, and practical common sense, in no sense merely happened to develop, nor were they arbitrarily chosen but, on the contrary, they evolved as a logical, inevitable result of environment.

But the environment to-day in which a continually larger portion of the American people—particularly our ever-increasing foreign element—live and work

and think, is not only different from, but in many ways the very opposite from, the environment which created these characteristics and points of view which we call American.

America is no longer an agricultural nation. Out of twenty million families only seven million live on farms and nearly half our people live in commercial and industrial centers.

Now modern commerce and industry, on their creative and executive sides, offer the biggest incentives for, and are themselves the most intensive school in, developing initiative, energy, and practical common sense among those who are intellectually able to measure up to their more advanced requirements.

For great classes of workers, however, modern American industry is often merely a great complicated machine with most of whose parts they never come in contact, and most of whose operations they do not understand and in which they are obviously merely cogs. This great machine furnishes such a worker his place to work, the machinery and tools with which he works, the material on which he performs some single, generally small, operation which it tells him to perform and how to perform. On Saturday his pay envelope is just as automatically given him.

Back of his work are real problems—of raw material, transportation, equipment, financing, production methods, and dispatch. Beyond his work are problems—of finishing, assembling, marketing. All of these are just as practical as any problems any Americans have ever been called to face. But because he does not have to face them, these problems have little reality for him, and he probably has at most but vague theories about them.

Moreover his relations and point of view toward the problems of his daily living are to a large extent the same. His light is furnished him by pressing a button—his water by turning a faucet. His food comes to him in packages almost ready for the table. Even his sport is furnished him by a professional baseball team. There are a hundred and one real problems upon whose practical handling by someone's initiative, energy, and common sense, each of these services which he receives almost automatically depends. But they do not require the exercise of any of these characteristics on his part. Because therefore he himself has thus no contact with the realities of the problems of supplying what he wants or what he gets he can hardly be blamed if he does not think of what he wants or what he gets in terms of the real problems involved.

Again our immigrants during the last decades have

come almost entirely from autocratic countries where for generations they have been used to having their lives prescribed and regulated for them. These immigrants with this hereditary point of view have gone by millions into our industrial centers to add to the forces of present industrial environment in weakening and nullifying our typically American individualism.

Many social thinkers—favorable as well as hostile to our modern industrial system, have pointed out this tendency of modern industrial conditions to break down individual initiative and energy of the less intelligent and less strong-minded worker. But what has not been so widely pointed out is the fact that it is psychologically impossible for these forces merely to eliminate old characteristics and leave their places negative and void. On the contrary they inevitably tend to build up a positive opposite point of view.

It cannot, therefore, be over-emphasized that if normal American environment which forces the individual to face and solve his own problems has been able to create the stern, difficult virtues of initiative and energy to the point where these virtues become positive, inherent, national characteristics, a change in environment to one in which most of his problems in life are solved for the individual and their results



more or less automatically given him, must far more inevitably, because such circumstances work with well-known human weaknesses, tend to create a positive inherent point of view that more and more of the things he wants should be automatically given him.

In exactly the same way the fact that so many of the chief problems of his life are infinitely complex, and cause and effect often so remote that he only touches them at one or a few points, also tends inevitably to befog the point of view of the less intelligent worker and to develop the easy point of view of accepting or building up merely plausible and self-interested theories about the problems which affect his life, quite irrespective of the practical possibilities of such theories.

Hundreds of after-the-war strikes had their whole psychological basis in the combination of these two points of view. Strikes by American workmen against the action of foreign governments—strikes for four times former wages for two thirds former work—strikes for wages which the strikers' own leaders told them could not possibly be paid so that the strike was foredoomed to expensive failure—strikes for a thirty-hour week at a wage nearly twice what the average worker gets for a forty-eight hour week—are all neither more nor less than the active

expression of a blind conviction on the part of hundreds of thousands of American workers that somebody somehow ought to give them what they want irrespective of all practical considerations.

This is the point of view which radicalism has long since seized on, capitalized, encouraged, and on which it itself has developed in America.

In spite of the widely different ultimate philosophies which the different schools of radicalism theoretically advance, in the practical work within their organizations—of increasing their following and their hold upon it—all radicals invariably operate through the easiest channels of human weakness, and all of them always work with the tide of environmental influences, under which their members and prospective members live. Thus for years all radicals, irrespective of philosophical differences, have been crystallizing, giving expression to, and reiterating this one doctrine, which environment and human weakness make it most easy for the less intelligent classes of industrial workers to accept to-day, namely: that the great complex forces of modern life, which in some, to them, vague way automatically control their lives, should in some equally vague way be changed to influence their lives more favorably—to give them more of the things they want.

But it is a psychological axiom that it takes ac-

tion—the stimulus of conflict—the possibility of some immediate, concrete result—to galvanize general theories and points of view into dynamic forces and specific organized effort.

Before the war, radicalism, because it was specifically excluded from union power, had no authority to call strikes. Normal American conditions offered little opportunity for other concrete action. Up to the time of the war, therefore, radicalism was only able to take advantage of a favorable environment to sow its seeds—to crystallize and express and reiterate in terms of its own theories, these already emphasized points of view which American industrial environment had already made plausible.

With the war, however, just the conditions which the radical forces needed for crystallization and organization arose. Hundreds of thousands of unskilled new workers were going into skilled work and into the skilled workers' unions. The demand for labor in the unskilled trades was constantly increasing. Wages were constantly going up in all industry. It was the great opportunity and radicalism seized it. Working, at least at first, among the less skilled or foreign workers, playing upon the spirit of unrest, constantly capitalizing the feeling which they had long been catering to and crystallizing, that somebody ought somehow to give the workers whatever

they wanted irrespective of practical considerations, and by constantly preaching strikes, inciting strikes, and leading strikes for such aims, radicalism consciously and persistently worked its way into, and more and more into the actual even if not the recognized control of, our great powerful established labor organizations.

On November 4, 1914, William Z. Foster, then a well-known I. W. W. leader, wrote, "I am satisfied from my observation that the only way for the I. W. W. to have the workers adopt and practice the principles of revolutionary unionism—which I take it is its mission—is to give up the attempt to create a new labor movement, turn itself into a propaganda league, get into the organized labor movement, and, by building up better fighting machines within the old unions than those possessed by our reactionary enemies, revolutionize these unions, even as our French syndacalists fellow workers have so successfully done with theirs.

“(Signed) Yours for revolution,  
“WILLIAM Z. FOSTER.”

Within four years, twenty-four of our most powerful so-called “conservative” trade unions made this same William Z. Foster Secretary of the Special Union Committee and Field General of the most

## 190      The High Cost of Strikes

important trade union fight that followed the war. During this fight Mr. Gompers, the Brahma of so-called "conservative" trade unionism and Mr. Foster each assured the Senate Investigating Committee that their point of view on labor matters was essentially the same.

Less than one year after this Mr. Foster in his book, *The Great Strike* (pages 255-265) after stating that the time is now come to strip off the *camouflage* and show the "true nature and tendency of trade unionism" says boldly and frankly, "For many years radicals in this country have almost universally maintained that the trade unions are fundamentally unrevolutionary. If they were to look sharper they would see that the trade union movement is traveling faster than any other body towards the end they wish to reach. . . . Like various other social movements (trade unions) have more or less instinctively surrounded themselves with a sort of *camouflage* or protective coloring designed to disguise the movement and thus to pacify and disarm the opposition. *This is the function of such expressions as 'a fair day's pay for a fair day's work.'* *'The interests of capital and labor are identical,' etc. In actual practice little or no attention is paid to them. They are for foreign (public) consumption.* . . . It is an indisputable fact that the trade union

always acts upon the policy of taking all it can get. . . . They are as insatiable as the veriest so-called revolutionary unions. . . . In every country they are constantly solidifying their ranks, building ever more gigantic and militant combinations . . . and . . . they are going incomparably faster towards this goal than any of the much advertised, so-called revolutionary unions."

Already in England, in France, and more conspicuously in Germany and Italy, radical minorities through the control of the great organized labor monopolies are not only continually threatening and constantly handicapping industrial progress and prosperity but constantly challenging and compromising the will of the whole nation through the threat of continually greater and more costly strikes.

Whether, then, we take Mr. Gompers's statements at their face value that radicalism in our own country is merely fighting for control of our great labor monopolies or whether we believe Mr. Foster that Mr. Gompers's statements are merely convenient *camouflage* for "public consumption," and that radicalism has achieved such control that to-day the trade union movement is actually "more revolutionary than the so-called revolutionary unions themselves," the fact remains that as long as such labor monopolies themselves are allowed to continue—as long as some few



supreme labor leaders have the power, through the unrestricted use of the strike weapon, to shut off, whenever it suits their interest, the whole nation's production of coal or clothing or some other necessity of life, so long will radicalism, through the possession of that leadership or the possibility of fighting for that leadership, possess the single most powerful weapon in modern social life with which to perpetuate its menace.

## CHAPTER XVI

### STRIKING AT THE ROOTS OF AMERICANISM

IN 1220—in what is known as the Dark Ages—when Clan MacAlpine and Clan MacDonald got into a dispute over the fishing rights on Loch Lomond they, as a matter of course, immediately gathered their warriors and marched against each other. Cattle belonging to the innocent neutral farmers along each line of march were slaughtered. Harvests were trampled or burned. Neutral villages through which they passed or fought were pillaged and many innocent villagers killed. Such things were merely the natural and unavoidable incidents of a system of unrestrained private wars.

In 1920, when the carpenters and metal workers get into a dispute as to which is to have the prerogative of hanging metal doors with wooden cores, they too, as a matter of course, immediately strike against each other. The painters, finishers, and many other workers have to stop work and go without their wages until the doors are hung. Tenants cannot move in. Costs and losses pile up and rents must

later follow. Such things are merely the natural and unavoidable incidents of unrestrained private strikes.

In the early years of the fifteenth century the powerful Dukes of Warwick maneuvered the royal houses of York and Lancaster into the bloody Wars of the Roses, which brought slaughter or death by starvation or plague to over a quarter of all the common people of England, in the hope that one of the Warwicks might become king.

Within the last two years of the twentieth century certain state leaders of the powerful Coal Miners' Union maneuvered the national leaders into the great coal strike, which meant a fight with the national government and billions of dollars loss to the whole American people, in the hope that they might themselves become the national leaders of the coal union.

In 1621, one section of Eastern Europe, with one religious point of view, believing theirs a divine mission to bring the rest of eastern Europe to the same point of view, ravished the whole country with a war that turned nearly two thirds of the productive land into a desert, and set all Central Europe back two hundred years in progress and prosperity.

In 1921, according to the announcements of big union leaders, there is to be a drive to bring the great non-union steel industry over to the union point of view. If the way they have fought for the same

purpose in the coal industry, in the steel industry in the past and in other industries is any criterion, we can feel sure this struggle will cost the American people hundreds of millions of dollars more.

When Charlemagne died in 814, and the last great Roman Empire broke up, our ancestors faced the problem of developing an entirely new political organization with only human nature as a guide and motive force.

Great robber barons held the land and warred with each other over every petty ambition or jealousy without restraint or scruple, till no peasant in all Europe could plant a crop without an even chance that it would be fought over and destroyed before he could harvest it.

To defend themselves from the barons, the merchants and workers of the cities built strong walls and trained or hired armies. But, once safe and strong themselves, they began to use these armies to settle their trading jealousies and extend their power.

Even the peasants in desperation built for themselves safe retreats in the deep woods or mountain caves, and banded together in camorras or other organizations for their own protection. But they, too, once safe themselves, fell into the spirit of the age and soon were fighting with barons and burghers and

oppressing other peasants as unscrupulously as any robber baron had ever oppressed them.

The Dark Ages were the dark ages, and all Europe, instead of producing and going ahead, bled and starved, was plague ridden, and stood still, chiefly because Europe was organized by groups and classes, and all these groups and classes only schemed and thought and fought to advance their own interests without a conception of any common interests or rights.

On October 21, 1620, while different religious groups were making a desert of Germany in order that one group might dominate the rest—while Cavalier and Roundhead were fighting a class war for control of England, the Pilgrims, fleeing from government by group and class interest, landed at Plymouth Rock and drew up the Mayflower compact, dedicating the new government in America to the interests of all the people.

On August 29, 1920, three hundred years almost to a day after the dedication of America to the interests and rights of all the people, 1000 B. R. T. workers, reversing the vote of 2000 fellow workers not to strike, and by their closer organization, determination, and threats forced 12,000 of their fellow workers out of their jobs and wages, and a large proportion of 2,000,000 of their fellow citizens either to walk to work or stay at home and lose their wages.

On July 4th, after the Civil War, which the American people fought to keep a slave-owning class from dominating industrial and political life, Lincoln reexpressed Americanism, in terms the whole world has accepted, as "government of the people, by the people, for the people."

On August 31st, a year after the World War, which was fought that Europe, too, might be freed from government by aristocratic and bureaucratic groups, Patrick J. Shea, the local union official, who had argued so strongly with the one thousand B. R. T. men against the strike, held a long distance telephone conversation with W. D. Mahon, president of the Street Car Workers' Union, who lives in Detroit, in order to try to stop the B. R. T. strike. Probably not one per cent. of the two million citizens of Brooklyn, N. Y., ever heard of Mr. Mahon, who lives in Detroit. They certainly never elected him, or directly or indirectly took any action that would give him any right to represent them, or speak for them, or have any power over them. Yet Mr. Mahon, who lives in Detroit, Mich., gave arbitrary instructions over the telephone that two million citizens of Brooklyn, N. Y., must continue to be denied one of the most important necessities of their business and social life.

A generation ago the whole American people were forced to unite to protect the public interest against



## 198      The High Cost of Strikes

a special group of "capitalistic" robber barons who had arisen through our rapid economic development and who tried to put their special group interests above the common interest through control of our economic necessities by means of capitalistic monopolies.

Yet, within twenty years of our hard fought and sweeping victory for the common interests of the whole people against the special interests of these modern capitalistic robber barons, our modern labor camorras, organized doubtless for necessary self-protection, are to-day making a more ruthless, unscrupulous, dangerous use of their new power to promote their own special interests, through stopping our economic production, than any trust magnate ever dared attempt.

The anti-trust movement of a generation ago was in no sense a reflection on capital. Except among the more rabid elements, it did not involve any reflections on great organizations of capital as such. Its whole attack was merely against the type of big capitalistic monopoly that was seeking to get control over the production or distribution of the necessities of all the people for the purpose of using that control for their own selfish interests and against the interests of the rest of the people.

There is no question that American Labor has

always been one of the most important factors in building up our national prosperity. There is no question that labor organizations have often been among the most important factors in advancing the interests and efficiency of labor, and so the interests and prosperity of the country. There is no question that strikes, as often the only weapon of ultimate resort in labor's legitimate competition with capital, in many instances have been justified, and in spite of the losses they have caused in wages and non-production, have often proved a big net benefit not only to labor but to the country as a whole.

But when as at present the great majority of strikes are obviously and often blatantly mere weapons in the hands of powerful, self-seeking organizations, or of factions in organizations, that are used not only with a wanton disregard of public interest, but often in a calculated and ruthless attack upon public interest in order to force public interest to yield to group chauvinism, the strike to-day becomes the most powerful and sinister challenge to Americanism that the American people have ever been called to face.

Big, conspicuous strike leaders themselves have had a great deal to say recently about Americanism. They have talked loudly and frequently of the inherent right of any free American citizen to work or

not to work at his own volition. They have decried loudly as industrial slavery the very idea that any man should go to work or stop work at the mere volition of some other man.

But a strike as has already been pointed out does not merely consist of a man's working or not working when he wants to. It is in its essence a conspiracy among many men to stop work, and often to force other men to stop work, always in order to injure and coerce someone else.

History tells us that the robber barons "bleated like lambs" about the fundamental right of self-protection when they were forced to put their private soldiers with which they had fought their private wars under command of a central government which represented, at least in some degree, all the people.

We all of us remember how this history repeated itself—how, when the question came up of the right of all Americans not to have the price of their necessities of life artificially manipulated merely for the benefit of selfish groups, our own capitalistic robber barons cried to heaven about the fundamental right of any American to do what he pleased with what was his own.

The bleating of the robber baron about the fundamental right of self-protection, to justify or cloak his private wars—the cry of the trust magnate about the

fundamental right of any man to do what he wanted with what was his, to justify or cloak his own conspiracies for price manipulation—the wail of a labor leader about the fundamental right to work or not to work, to justify or cloak a system under which he himself commands men to work or not to work in order to promote his own or his class interests—all are in exactly the same category.

To the rest of us, as outsiders, such invocations and magnifying and twisting of smaller, less important rights of individuals to try to justify the attacks upon the bigger, broader rights of all the people, merely indicate to what lengths of blindness or hypocrisy the selfishness of group or class interest always, in every age, inevitably leads.

This weakness of human nature that, whereas, an individual who rises to illogical or illegitimate power may have the self-control and the discretion not to become arrogant and flaunt that power, the group or class that achieves illogical or illegitimate power has invariably throughout history sooner or later become so over-confident that it has recklessly over-played its hand, is, however, very useful to the rest of society.

American public sympathy has always been, naturally and openly, on the side of labor, because its struggles were so frequently against the same big capitalistic “robber barons” which the public itself

was fighting and because in general in its fight with capital labor seemed to be the under dog. This sympathy for labor has naturally, at least in a general way, included its leaders.

But the modern labor leader's over-confident, often almost mad, insistence in flaunting his utterly un-American doctrine of class rights, his increasingly ruthless and open infringement of the most basic and important rights of all the people to be fed and warmed and clothed, in order that some small group of the labor class may be able to draw full pay for working three days a week or in order to put one group of men instead of another group into union power, has brought the whole labor question under the analytical scrutiny of the whole American people, and this scrutiny reveals with a clearness that cannot be mistaken, that a great portion of the modern labor movement is to-day seeking to build up a selfish monopoly power in exactly the same way the capitalistic trusts sought to do a generation ago, by getting a control of the necessities of life, which control it can use, and in many cases conspicuously is using, to serve its own selfish interests irrespective of the interests of the rest of the country.

On these grounds alone, the labor monopoly of to-day is in exactly the same category, and every bit as much a danger to the interests of the whole American

people, as were the capitalistic monopolies of a generation ago.

But the capitalistic monopoly was incorporated and responsible under the law. It built new factories and produced more goods and was otherwise chiefly a constructive force. It was controlled by at least able men who realized that their own self-interest must limit their disregard of public interest. The great modern labor monopoly, on the other hand, has contrived to get itself largely exempted from responsibility before the law. The strike, which is its chief weapon in serving its own interests, is in itself entirely negative and destructive. The modern labor monopoly is often controlled by men either so bigoted or so arrogant through their rapid rise to power that they overstep all bounds in flouting public opinion and attacking public interest. Moreover, the great labor monopoly, doubtless for these very reasons, has, as public investigation after investigation is more and more clearly showing, become a hot-bed of sedition, bribery, blackmail, and corruption to a degree never before known in any other American institution.

But perhaps the biggest indictment of all against these modern labor trusts is that they are thus bringing into disrepute conservative and constructive trade unionism, and perverting and betraying the



## 204      The High Cost of Strikes

great mass of labor which is depending on them for guidance and leadership.

Both, therefore, on the grounds of what it is and what it does, the modern labor monopoly constitutes an open challenge as to whether America is to go back to the class and group government of the Middle Ages for the benefit of some of the people or is to stay American for the benefit of all Americans.

## CHAPTER XVII

### SUMMARY OF FACTS

BRINDEL, the drug clerk, became, almost overnight, Brindel the millionaire labor czar to whom thousands of workers paid two dollars to ten dollars a week for the mere privilege of working, at whose command ten thousand men would quit work and give up their pay on any merest sham of a reason—primarily because of his particular cleverness in handling human nature—in bluffing and cajoling and fooling his followers.

Messrs. Lewis and Green perpetuated the coal strike for weeks in spite of a government injunction, and achieved a fair measure of success in spite of their utterly illegitimate aims and methods, through their consummate skill in muddying the waters of facts and motives, in dividing public opinion, and in manipulating and cleverly playing off every opposing interest against every other.

The professional labor leader, because of the very nature of his job, achieves his position chiefly through a special ability to get and keep by whatever

means the situation may demand, the confidence of his followers. It is a position where the chief means to success and the daily stock in trade are a knowledge of human psychology and skill in manipulating human nature. And this is true no matter how honest and sincere the individual labor leader may be. For the higher labor leaders this also includes an ability to gauge and manipulate public opinion, to gain its sympathy where possible, and where impossible to cleverly soften and divide and otherwise nullify its hostility.

One of the oldest stand-by methods of attempting to deceive the public as to a series of unfavorable facts is to choose the least unfavorable, and, by admitting this with apparent frankness and adding to it voluble arguments as to other unconnected favorable facts, draw attention away from the balance of the more unfavorable facts. Wide publicity was given in the fall of 1920 to an estimate that the cost of strikes on only one series of items amounted to eight hundred million dollars. Mr. Gompers at once seized on this figure and featuring it as though it represented the whole cost of strikes, went on to spread wide the sophistry that this was a cheap price for the country to pay for the immense permanent benefit these strikes had brought—just how he failed to explain—to American labor.

Another time-worn method of attempting to minimize past failures has always been to try to pull public attention away from such failures and make it forget them by getting it interested in some sensational new scheme. It was working on exactly this principle of popular psychology that again, in the fall of 1920, when present-day labor leaders most needed to defend themselves before public opinion, they began a widespread campaign for a conspicuous new scheme of industrial relations cleverly calculated to seem to be similar to a plan to which many employers had already given approval—the scheme of union labor coöperation in industrial management.

In proportion as the many possible plans, some of which are already under discussion, for protecting the public and the great body of labor itself from the tremendous costs which unrestricted strikes have so conspicuously proved that they involve, shall be crystallized, labor leaders will undoubtedly multiply these efforts to thus complicate, muddle, and postpone the issue. A simple, concise summary of facts as to what the unrestricted use of the strike weapon has itself proved that it leads to, may therefore be correspondingly valuable as a preliminary to the consideration of some of the possible methods of affording the public and labor itself such protection.

*First:* Strikes are not only costly to the industry

involved or merely to industry and the country as a whole. On the contrary, they are a direct and specific tax upon the average individual. They have increased the price of his vegetables 100 per cent.; the price of his suit of clothes, \$20 to \$30; the cost of his coal, 100 to 200 per cent., and the price he has had to pay for many other things for months at a time in proportion.

*Second:* Strikes cost the individual just as specifically and even more disproportionately and permanently in many indirect ways. For instance, steel strikes, coal strikes, railroad strikes, building strikes tremendously increased the cost of building which not only raised his rent in proportion but caused a shortage which raised rents still further—in New York City, an average of thirty-two dollars a month.

*Third:* Strikes often cost out of all proportion to their size or the number of workers involved. The strike of a few hundred dock workers raised the price of food to millions of families. The strike of two thousand printers affected the jobs and wages of a million and a half other workers. The strike of only a few thousand railroad workers at a time for a few months raised general prices over a billion dollars.

*Fourth:* Strikes often multiply their cost to the individual. The coal strike, for instance, kept a hundred thousand unnecessary men in that industry

and out of other industries where they are needed, and so not only raised the price of coal but the labor cost and so the price of other products proportionately.

*Fifth:* In order to assure victory, strikers have become more and more unscrupulous and labor leaders more and more skillful in thus making strikes disproportionately costly and, in order to bring public pressure to bear upon the employers, are deliberately calculating these strikes at the psychological time and directing them at the strategic points that will injure the public most. The coal, outlaw railroad, dock workers, and many other of the most conspicuous strikes, deliberately attempted as the chief feature of their strategy the greatest possible injury to the public.

*Sixth:* Strikes injure labor most of all for they not only cost the individual worker as part of the public exactly as much as they cost other individuals, but every strike in one industry that holds up necessary material from another industry and so reduces the amount of work that can be done, or transportation strikes that keep men from getting to work or reduce their working hours, cause labor alone to lose all its income for all the time thus lost.

*Seventh:* Sixty per cent. of strikes in 1919 caused a primary loss of 134,000,000 working days and a



secondary and indirect loss of probably twice as much more. The total time loss that can be laid to strikes in 1919 must therefore have approached five hundred million working days. The consequent wage loss, loss of production at factory prices, loss of the various other profits in handling and selling this production must have approached ten billion dollars or as much as the war itself cost in any one year. Profiteering cannot flourish and speculation cannot raise prices except on the basis of a shortage. Shortage also invariably raises prices out of all proportion to the actual amount of the shortage. Strikes were, therefore, the primary and unquestionably the largest contributing factor to the increased cost of products which followed the war, and this increased cost—from 207 to 272—thus amounted to about thirty per cent. on a total national production at ultimate consumer prices, of over a hundred billion dollars.

*Eighth:* Professional labor leaders openly justify these strikes on two main grounds—that strikes in the past have been the chief means of bringing about labor advancement, and that every American has an inalienable right to work or not to work as he himself sees fit. But the modern strike is not the exercise by an individual of his right to work or not to work as he sees fit. It is always a conspiracy on the part of many individuals to stop working with the avowed

purpose of injuring someone else, and more and more with the avowed purpose of injuring an entirely innocent public. In addition, in a majority of strikes the conspiracy involves forcing many fellow-workers who want to continue to work to give up their so-called inalienable right to work or not to work as they see fit. This theory of an individual's right to work or not to work is no more a defense of the modern strike than the theory that an individual has the right to sell that which is his at any price that another man will pay, is a defense against conspiracy of many individuals to raise and fix prices. It is equally illogical and unjustifiable to attempt to defend unscrupulous present-day strike attacks against the public on the ground that former strikes, merely against an interested employer, were a contributing factor to labor's advancement. Present-day strikes can be judged only on their own effects on labor's advancement and on public interest.

*Ninth:* Twenty-five per cent. of all strikes in 1919, involving over a million workers, were condemned by professional labor leaders themselves as being unjustifiable. In addition to this, a conspicuous proportion of other strikes had expressed aims which make it impossible to set them down as anything except mania strikes, due purely to a blind reaction to the strike epidemic. Still another large group of

strikes, whose number is being constantly increased by judicial and legislative investigations, had as their only real objects attempts to blackmail and graft.

*Tenth:* Only thirty per cent. of the strikes of 1919 even claimed to be based on a demand for increased wages, and only forty per cent. for increased wages, shorter hours or both. During this period, however, demand for goods of all kinds was so great and a willingness to pay almost any price so general that employers could and did meet practically any possible demand as to wages and hours in order to get production at any cost. This forty per cent. of strikes in 1919, that claimed wages or shorter hours or both as their cause, were thus chiefly one of two kinds: either, as was entirely obvious in many cases, the assigned cause was not the real cause of the strike, or as in the cases cited of the dock strike, the B. R. T. strike, the steel strike, and many others, the demands were such that because of special and peculiar circumstances it was impossible for the employers to meet them.

*Eleventh:* The last of the more important types of after-the-war strikes, are those consisting of the large number in which the employers, feeling secure in the temporary demand for goods at any price, yielded, and as is always inevitable, added the extra cost to the price of their goods. But the cost of the victorious strikes in losses of production plus the

raises in wages which the victories brought, proved in many cases to be most expensive, not only to the public but ultimately to the workers themselves. The great textile and clothing industries, for instance, where labor gained its most conspicuous strike victories, were the industries in which widespread and lengthy unemployment first began to appear in the summer of 1920 and in which wages have since been most reduced, and it was chiefly the high prices in these fields which these strike victories caused that started the public movement of refusing to buy at such prices—a movement whose widespread growth was directly responsible for the similar conditions and wage reductions that soon therefore had to follow in other industries.

*Twelfth:* The chief result of strikes since the war, in addition to their cost and in a great proportion of cases their chief aim, was to advance the personal ambition for money or power of the individual labor leader and to strengthen the hold of these leaders, both individually and collectively, on labor, on industry, and through the domination of industry on the country itself. Ninety-five per cent. of all strikes in the building trade were caused by fights between individual leaders or factions for money or power. The coal strike, which cost the country a billion dollars, was directly caused by a fight for control and

management of the eleven million dollars a year income of the coal miners' union which itself already has a monopoly control over our national coal production. The steel strike of 1919, the agitation in the steel industry which is already being prepared to come to a climax in the summer of 1921, the clothing makers' strike, all represent efforts of the leaders of organized labor to obtain control of hundreds of thousands of other workers and millions of dollars in new annual dues in order further to extend their monopolistic control over the industries which produce our necessities of life. And between and through all these strikes radicalism was constantly at work, stirring up labor unrest, instigating and exaggerating every strike possible, and constantly fighting for a greater and greater share of spoils and control in order to extend its power, crystallize its organization, and put its hold upon labor on a permanent basis.

It is extremely valuable that the average man, including the average worker who is the unit of public opinion and public action, should realize definitely and specifically the tremendous dollars and cents cost which our after-the-war strike epidemic inflicted, not only on the country but on him personally, because the cost represents one of the actual, already proved results of the unrestricted use of the

strike weapon in the hands of the leaders of our present-day, self-seeking labor monopolies. But it is even more important for the present and the future that he should also realize that the very existence of such great labor monopolies, already controlling the production of many, and constantly striving to control the production of more, of our necessities of life, is itself the biggest, most permanent, and most dangerous result of the unrestricted use of the strike weapon, because their very existence and development along present lines unquestionably means the constant repetition of strikes on a constantly bigger, more costly scale, or else, as was practically the case in our coal strike, public submission to their dictates and will.



## CHAPTER XVIII

### WHAT ARE WE GOING TO DO ABOUT IT?

ONE group of twenty men working on the construction of the Hotel Ambassador at Atlantic City during the summer and fall of 1920, averaged \$130 a week wages during the last two weeks of the job. Yet five of them had to borrow carfare back to New York.

On this same job the contractor's books show that masons averaged \$65 a week; carpenters and steamfitters, \$60 to \$70; plasterers, \$90 to \$100; scantlemen, \$80 to \$90, and elevator men, \$150 a week for the whole construction period. Yet at the end some twenty per cent. of all the workers in many of these departments came to the management to borrow money to get back to New York.

Not only much of labor itself, but many high-minded men entirely outside of the labor ranks, have long believed that in higher wages and better living conditions lie the one ultimate solution of the strike problem. But this is true up to a certain point only. Exorbitant wages pile up a cost of production which

## What Are We Going to Do? 217

the rest of the country cannot stand. Mere higher wages are at the root of the vicious circle, so much discussed recently, which so keeps raising prices that labor has to get higher and higher wages in order actually to keep even. Mere higher wages have proved in experience, not only in the Hotel Ambassador case but in hundreds of cases during the war and since the war, to lead chiefly to an orgy of spending, whose only result is to leave labor no better off actually but much more continually discontented.

Finally, mere higher wages do not touch the biggest and most basic cause in the whole strike situation—the use of strikes as a weapon in political labor fights and ambitions.

Even, therefore, if the rest of the country could afford it the mere raising of wages does not promise any adequate solution to the tremendously costly strike problem as it has existed since the war.

There is another large class of Americans to-day who do not believe that we have to do anything at all about the strike problem, at least at this time, because the strike problem has already shown every indication of solving itself. Moreover, they argue that the very laws of cause and effect are always in the long run bound to bring labor to its senses; and that though such a solution may be extremely expensive to the country, it is so much more expensive to

labor itself that sooner or later labor will be forced to realize that for its own sake it cannot afford to take advantage of special situations, as it has in the last few years, and mulct them without regard to the interests of the rest of the country.

There may be much actual logic in this point of view, but such a solution savors entirely too much of the law of "tooth and claw" to afford any progressive or satisfactory solution to any problem of modern civilization.

Nor is human nature as a whole sufficiently responsive to the lessons of human experience to permit us to depend upon such a remedy.

There is no question that American employers, with their minds bent wholly on competition in production and sales, have in the past too often taken a ruthless advantage of labor when circumstances have put it in their power to do so. There is no question that the advantage labor has taken of the strategic position, which the events of the last few years have given it, it has largely excused and justified in its own mind because of much of the past attitude of its employers. If the human relations in industry are to go on only on the basis of the law of the jungle—merely according to the primordial working out of unmitigated cause and effect—if the whole relation between employer and employee is to con-

## What Are We Going to Do? 219

sist of a watching and maneuvering till circumstances put one or the other at a disadvantage, in order that they may take their revenge or get all they can while the getting is good, there is little hope that even with all its greater efficiency our present-day system of industrial management can last.

In December, 1920, after the bursting of their get-rich-quick bubble, created out of the soft soap theory of striking for what you want instead of working for it, a large part of the clothing workers had been for months walking the streets. In the new wage negotiations, therefore, the employers obviously had the upper hand. The employers had just suffered tremendous losses because of these hold-up strikes and the public's resultant refusal to buy, and might easily have justified to themselves, and, perhaps, to the public, a policy of making the workers pay for their own mistakes. Nevertheless the clothing manufacturers, while they did naturally and perhaps undiplomatically refuse to go on with the system of wage settlement which the workers had used merely to milch them, did, on the other hand, voluntarily offer the workers a new wage arrangement which, under all the circumstances, was not only fair but generous.

Judge E. H. Gary testified before the Senate Committee as to the policy of the United States Steel Corporation in regard to wages: "We have intended

to *more* than keep pace with the increased cost of living, which we have done. During the war we increased wages eight times, always voluntarily. We were influenced by the fact that our increased earnings permitted us to do it and we did take into account also the idea of giving them what we conceive to be the employee's share in the [company's] prosperity . . . which we always do." Moreover, after the great 1919 steel strike, in spite of the fact that the strike was entirely defeated, in spite of the immense loss it caused the company, wages were soon again voluntarily raised "because increased earnings permitted us to do it." Also, because of the company's regular policy of giving "the largest percentages of increase to those receiving the lowest wages," the very unskilled and radical classes of workers who alone struck received the largest voluntary wage advances.

These two instances are typical of a widespread attitude on the part of the big-minded management, which big industrial responsibility is more and more forcing to the top. The emulation of this kind of management offers one of the two biggest hopes not only for a satisfactory solution of the strike problem but of the whole labor problem.

The White Motor Company is to-day paying its labor 110 per cent. more than it was before the war.

## What Are We Going to Do? 221

Yet, in spite of this fact and in spite of the much higher cost of material, the price of the White truck is only ten per cent. more than it was in 1914. The reason is directly and wholly due to the fact that employer and employees have conscientiously worked out together and are loyally carrying out together an increasingly efficient system of production that has resulted in a tremendously larger margin of profit, which they are sharing fairly with the public and each other.

For years hundreds of large industrial concerns, with large numbers of regular employees, have been striving along many lines toward building up in their own organizations better relations with their employees and coöperative efficiency systems for increasing the profits of both employer and employees, to act as preventives of serious misunderstandings and strikes.

As a part of this general effort there is a growing tendency to include another effort, which, because of the influence of the worker's fundamental psychology on the whole labor problem, the author has long considered of paramount importance, namely, the effort to bring about a better understanding and relation between the worker and his job. The influence which the monotony of his job—the fact that it consists often of some single operation which the worker



has neither the incentive or opportunity to conceive of in any other terms than the mere operation itself—has on his whole psychology, including his point of view towards his job, his employer and industry, and life in general, has already been emphasized. If, however, the worker whose whole job consists, for instance, in performing some single, simple operation on a bar of copper, and who has always looked on his work only in the narrow light of that single operation, can be led, through industrial motion pictures, or through lectures, or through being intelligently transferred from one department to another, or through any other method or combination of methods, to realize just how his single operation combines practically and logically with all the other operations to produce a great dynamo, upon which the speed of a giant battleship, for instance, or the power to irrigate a thousand fruit farms, or some other great modern industrial miracle depends, there is the strongest probability that such a new conception of the meaning and importance of his job—such a new knowledge of its vital relationship to the big creative efforts of modern life will give him a very different point of view towards his job and towards industry and life in general.

At the present time the practical value of many kinds of efforts along such lines is receiving much more serious attention than ever before. If attempts along

## What Are We Going to Do? 223

such lines are practically planned to go far enough and spread widely enough, there is no question that they will act as a very valuable insurance against strikes in these industries.

But, in the first place, such efforts are so far confined, and many of them from their nature are confined, to industries employing regular numbers of skilled, or at least semi-skilled workers. Again, all such efforts from their very nature, are confined to the relationship between one unit of management and its own employees. But labor unions as at present constituted include under the same organization and control the employees of many employing units. Moreover, it has been the constant policy of these great labor organizations to act, if not from the point of view of the interest of the labor leaders themselves, at least from the point of view of their ideas of the interests of all the labor in their organizations. This means that they frequently call strikes in an entire industry which necessitates the striking of the employees in many plants where there is absolutely no disagreement between employer and employees and no cause for a strike. This means, of course, that in spite of anything that any given employer may do to build up better relation with his employees or to institute systems that will increase their earnings, he cannot in this way prevent strikes so long as labor

unions are organized and function on the present basis of constituting a labor monopoly in their industry. And this is merely one more illustration, from a different angle, of how the monopolistic character of the modern labor organization continually exaggerates labor trouble.

Late in the fall of 1920, organized labor itself publicly presented a plan purporting to represent its ideas as to how strikes could be minimized through bringing about a better relation between employer and employee. This plan in its outward form bore a very distinct resemblance to what is commonly known as the "Senate and House of Representatives" plan which has already been adopted by many employers with conspicuous initial success. On the basis of this outward similarity of form, labor leaders have taken the position before the public of assuming that employers cannot reasonably object to such a plan.

The so-called "Senate and House of Representatives" plan constitutes a concrete putting into effect, in a form to make clever psychological appeal, of the new popular phrase, "industrial democracy" as that phrase is popularly interpreted. The essence of this plan is the formation within a plant of an organization composed of representatives of both employers and employees. This organization commonly con-

## What Are We Going to Do? 225

sists of a President, who is usually a chief executive officer of the firm; a cabinet or senate or both, generally in which the management has the majority vote; and a house of representatives composed of duly elected representatives of all the employees. The purpose of the organization is to decide, subject to certain checks which its own composition obviously imposes, certain types of questions of industrial management and relations by a majority vote. Novelty—the primary psychological appeal of the identity of its form with that of the national government—its relation to the widely popular phrase “industrial democracy”—and the appeal of all of these to the employee’s feeling of self-importance, all obviously make for the success of such a plan at least until some really serious conflict of opinion arises between employer and employee.

Democracy, however, does not necessarily consist in control by majority vote. In American schools and colleges, leadership and management must from the very nature of the case be determined by proved superior ability under conditions of equal opportunity. The French army is said to be the most democratic institution in the world, but the *poilu* does not vote for his officers or to determine plans of organization or strategy. Again the democracy is that of opportunity.

American industry has always in the past held to this ideal of the democracy of opportunity rather than democracy of counting noses, on the grounds that all human experience has demonstrated—and only socialists and Bolsheviki actually deny—that in industry, just as in an army, efficiency is of such paramount importance to society that social ends will be best served by a democracy of opportunity which makes control a matter of proved fitness rather than a democracy of voting, which makes it a matter of average opinion. The election of army officers and the determining of army strategy by the vote of the average soldier in Russia and the temporary operation of the clothing industry in America on a policy forced on it by the average worker's determination to try out a theory of doubling his own wages for a third less work and letting the public pay the difference, are both in exactly the same category, and both brought results which no nation is strong enough or rich enough to continue to endure.

The American people and certainly American employers have no intention of actually putting the management of industry under control of mere majorities of the workers. The fundamental question, therefore, arises as to whether employers can afford to commit themselves to the principle of majority vote in industry and thus start such a dynamic, self-

## What Are We Going to Do? 227

interested force as labor thinking along a line which the employer is not willing to carry to its logical conclusion. Will not industrial relations be advanced more surely and in the long run more rapidly if instead of interpreting industrial democracy in terms of "equal vote," which must ultimately lead to misunderstanding, employers instead openly interpreted industrial democracy and sincerely worked for it in terms of equal opportunity?

Organized labor's proposed scheme, however, for giving the employee a voice in the management on the basis of majority vote includes the plan of the "closed shop" under which organized labor itself controls that majority vote of the employees. In other words, in its version of such a coöperative management plan, organized labor proposes in addition to its present domination over the production, cost and efficiency of an industry through the monopoly control of the labor in the industry, to acquire also for itself a similar domination over more and more of the actual executive management of the industry.

It has been pointed out that strikes are increasingly infrequent in the building trades because there the labor leader completely dominates not only the labor policy of the industry, but the making of prices, awarding of contracts, and other purely management



## 228      The High Cost of Strikes

functions. It has also been pointed out what the result of such a situation has been in the exorbitant cost and consequent limitation of building and in the permanent high cost of rent. A voice by labor on a majority voting basis in questions of industrial management plus the "closed shop" would result in exactly this same condition in any industry in which such a policy were permitted. It would unquestionably do away with the high cost of strikes but only on the basis of a far higher cost of getting rid of these strikes.

In the coal strike the labor leaders openly boasted that they did not need seriously to consider their employers—that public opinion and the government were their only real opponents. The coal strike was also called on November 1st at the beginning of winter because that was just the time such a strike could hurt the public most. In the building trades the employer seldom thinks of resisting the big labor monopolies. He yields, pays what he has to, and passes the whole cost, with interest, on to the public. Moreover, it is only when public opinion has been aroused and some public action taken, as in the Lockwood investigation and the resultant prosecutions, that such a situation can be even temporarily or partially remedied.

And what is true of the coal industry, and the

## What Are We Going to Do? 229

building industry is true to a greater or less degree in the bulk of industries in which strikes have proved so costly to the whole country—namely, that not only does the public suffer most from strikes, but the public alone, from the very nature of the situation, can protect itself from the consequences of these strikes.

That strike can no longer be regarded merely in the light of conflicts between capital and labor, but because of the tremendous costs they are imposing on the public are of vital public concern—that from the very nature of the situation the public alone is able adequately to protect itself against these losses, and that the public has a right so to protect itself—is to-day becoming more and more widely recognized.

As a result of the flagrant abuse of the strike weapon and the tremendous losses which that abuse has inflicted on the whole public, the city of Los Angeles has, by amendment to its charter, which cannot be changed except by a two-thirds vote of the whole people, established the open shop principle.

Under the leadership of Governor Allen, the State of Kansas has established a system of industrial courts having complete jurisdiction over industrial disputes that involve public interest. The decision of such courts is final, and strikes in such cases are punishable as crimes.

On the face of it an industrial court, which shall adjudicate controversies between employer and employee much as an ordinary court adjudicates controversies between other individuals or business interests, seems absolutely logical and fair and in keeping with all the developments of progress and civilization.

Labor, however, at once points out, and is right in pointing out, that controversies between it and its employers are essentially different from ordinary controversies at law, in that they constitute labor's means of competition. Competition is the basis not only of all modern industrial progress, but to a large extent of all progress. The law may prevent unfair competition and courts perform a legitimate function in adjudicating cases where unfair competition is claimed; but, far from being agencies for stopping competition in general, the courts in recent years have been one of the chief agencies in enforcing competition.

Now, labor unquestionably has an exaggerated idea as to the extent to which it is inherently a competitor of capital. It has been one of the greatest lessons that business as a whole has learned in the last generation that it is entirely unprofitable to both sides to carry competition too far, and modern business has gained tremendously since it has realized that by

## What Are We Going to Do? 231

coöperating with its competitors up to a certain point, through chamber of commerce, trade associations, and other such coöperative organizations, it can often so enlarge markets and increase business as a whole that the individual competitor is better off with his share of the new larger market than he would have been even with a monopoly of the old market. In other words, the most successful modern business practice is that of coöperating with competitors and rivals in improving business conditions and enlarging markets and then competing with them for the share of the profits in those better conditions and larger markets.

In the same way, employer and employee have a very big common interest in increasing their mutual production, and labor both can and must realize that there is every incentive for coöperation in thus increasing the amount of profit that can be divided up. But it is equally true that there is and must be an inherent competition between employer and employee over the division of these profits. Controversies between employers and employees are the methods of such competition, and strikes are, in the last analysis, very frequently the only adequate weapon labor has in this competition.

The industrial court, therefore, which would settle controversies between capital and labor, and whose

judgment would be final, while it would undoubtedly eliminate strikes, would by that very fact practically eliminate the very basis of competition between capital and labor and substitute paternalistic regulation for this free competition.

Moreover, competition between capital and labor is chiefly over the question of wages or working hours, both paramount factors in cost of production and so in determining prices. Courts, therefore, which would arbitrarily settle such disputes would by that very fact to a large extent arbitrarily regulate and fix prices.

Up to a certain point and under certain conditions the substitution of arbitrary regulation for free competition, including the fixing of prices, is entirely in keeping with modern economic development. For years great corporations which have controlled important necessities of life have been especially classified as public service corporations, and because of the special degree of public injury which would result through any mismanagement have been largely taken out of the field of ordinary business competition and surrounded by both special privileges and special restrictions, including the fixing of prices at which they shall sell their service or product. The man to-day who puts his money into such an enterprise does so with full knowledge of these conditions.

## What Are We Going to Do? 233

There is no reason why in the same way, because of the special injury to the public through strikes in such fields, that labor in such industries should not be granted special privileges and also be specially restricted as regards strikes.

But strikes in the building industry, in the coal industry, in the steel industry, and in many other industries which have never been specially classified as public service have piled up tremendous costs to the public. To put even such industries under this special classification and withdraw them from the field of ordinary business competition would involve unlimited complications. The Kansas Industrial Court for instance, has ruled that a miller, even though his business is largely shut down because of dull times, must, nevertheless, pay wages to his "skilled and faithful" employees. How long must he continue to do this? If his business is shut down to the extent that he is making no money, must he borrow money for this purpose? What constitutes being a "skilled and faithful" employee? The tribunal which determines such questions is practically taking over the executive functions of business. To withdraw the relations of capital and labor in all fields which affect public interest from a competitive basis and arbitrarily determine by judicial decision such questions as these for all business, which would to a large extent include the arbi-



trary fixing of all prices to the public, would be so radical that only the fact that it alone could protect public interest would warrant such a step.

Canada has gone a considerable distance along these lines, but has carefully avoided going to extremes, in the so-called Mackenzie-King plan for adjusting labor disputes. Under this plan, strikes and lockouts are prohibited until the matter under dispute has been passed upon by an official tribunal. This official tribunal consists of three judges—one chosen by the employer, one by the employees, and one by the government. The fact that the judges are specially chosen in each controversy guards against their being influenced by political considerations which might be the case with a permanent court. These judges have full power to subpoena witnesses and compel testimony. They cannot enforce a verdict but they make a complete public report of the results of the controversy and public opinion is depended on to do the rest. The plan is simple, obvious, and perfectly fair and, although its penal provisions have been frequently disregarded, in general it has worked in Canada with great efficiency. It could be adopted to American conditions quickly with a minimum of complications, and it is hard to see on what grounds labor itself could logically oppose it.

## What Are We Going to Do? 235

Nevertheless, leaders of organized labor are fighting all such movements as these with every energy and every weapon they can command because their adoption would unquestionably interfere with their domination by putting an end to strikes which are called merely to serve their own labor-political ambitions.

The trusts in their hey day were strongly entrenched in politics, and it took the united efforts of the whole people twenty years to get adequate protection against the more unjust forms of trust practice. Not only is organized labor strongly entrenched politically but it commands such a numerical voting power that this hostility will make the widespread adoption of such revolutionary plans as these extremely difficult and particularly difficult in the great labor sections where some remedy is most needed.

Nothing would suit the professional labor leader's purposes better than to get the public into a general discussion of some such strike remedy which would involve the adoption of new principles and the creation of new government machinery. For such a situation would give the labor leader just the opportunity he needs to dissipate the present clear-cut public conviction as to the high cost of strikes and as to his responsibility for them, into a mist of vague argu-

## 236      The High Cost of Strikes

ments which he could complicate and draw out indefinitely.

What the present situation calls for is a remedy, if possible, so simple and direct and obvious that it can command immediate, widespread assent. There are several such remedies available.

## CHAPTER XIX

### MAKE LABOR OBEY THE LAW

THE great majority of American business organizations have laid their own foundations and have arisen strong and straight by their own initiative and energy.

But the American people have in the past exempted certain types of business from this fundamental business law of self sufficiency which all ordinary businesses had to obey, and have given these special classes of business special rights and privileges—land grants and bonuses to our railroads—free franchises, the special right of eminent domain and public credit to our municipal corporations—special tariff considerations and protection to our “infant industries.” And almost without exception all the scandals and public problems of American business—“buccaneering finance”—the alliance between “big business and corrupt politics”—watered stock, secret rebates, trusts—all have developed in these specially privileged businesses and have resulted directly because of these special privileges and exemptions.

The social organization of the middle ages with its

robber barons, its walled and armed cities of artisans and merchants, its camorras of peasants—all unsubject to any common law and all fighting to increase their own special rights and privileges, led inevitably, as has already been emphasized, to what is commonly referred to as the “dark ages” of all history. And whether we go backward or forward in history—to the Prætorians or Janissaries of ancient empires or to the Junkers of modern Germany—whether we consider the individual “malefactor of great wealth” or the whole trust system of a generation ago—or the individual labor leader or the great organized labor monopolies of to-day, the same rule holds, namely: that the power which is not subject to the same law to which all ordinary society is subject, but which is assisted to develop by special privilege or special exemption outside of ordinary law inevitably continues more and more to center its attention and put its chief reliance upon these special rights and exemptions—to fight for more and more special rights and more and more exemptions from ordinary law, and to think and act, and so become more and more lawless.<sup>1</sup>

<sup>1</sup> Theodore Roosevelt spoke frequently of the high personal integrity and absolute personal sincerity of certain flagrant representatives of plutocratic special privilege. But the social point of view of these men—developed by the whole heredity and environment of their established system of “special privilege”—he con-

The whole modern labor system is founded on, and has developed logically and inevitably to its present monopolistic form and with its present predatory point of view because it is founded on two kinds of special exemptions and privileges. One of these is a group of special social exemptions and privileges which no other class enjoys—the other is a special group of legal exemptions, which gives labor the privilege of operating outside certain laws which restrict and regulate all other classes.

For hundreds of years during the middle ages all men had to belong to one established religious organization and subscribe to one established set of tenets

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demned utterly and their consequent public acts he ruthlessly fought.

In exactly the same way there is no question of the sincerity of some of our great labor leaders. But the possible personal sincerity of men whose blind adherence to a labor monopolistic system could justify to themselves, merely for the advancement of that system, the raising of the price of coal fifteen dollars a ton to the whole public, can no more save such a point of view, as such, from utter condemnation than the possible personal sincerity of the men whose blind belief in a plutocratic monopoly system, which led them to raise the price of oil five cents a gallon to the whole people, did save them and their system from utter condemnation and drastic modification. The very fact that it is possible to conceive of personal sincerity in either case only proves again how reason as well as acts, which begins with special privilege and continues outside of ordinary law, inevitably tends to a greater and greater unconscious perversion of point of view. Moreover, there is no question that all heredity and environment in our modern system of labor monopoly, even more than in our past system of plutocratic monopoly, has tended to bring into leadership men of whose sincerity, the less said the better.



or be branded as "heretics" and refused the ordinary opportunity of earning their living or pursuing their normal social life. Through hundreds of years our forefathers fought and died for the privilege of joining or forming the kind of religious organization they chose, and subscribing to the kind of tenets which their own conscience and intelligence dictated. Our own country in a peculiar way was founded as a refuge for those who rebelled against being forced to become members of established organizations or subscribe to fixed theories as to matters which pertain to their own interest and intelligence. From the beginning of our history, it has perhaps been the most fundamental of all American principles that no man shall be forced to join any special organization or subscribe to any fixed belief in order to enjoy all the normal privileges in his pursuit of life, liberty, and happiness. The laboring man in his relation to the labor union and in pursuit of his job is the only exception to this basic American principle which has been permitted to exist in American life.

The first fundamental principle on which the modern labor organization is founded is that in order to get a job and continue to work, the laboring man *must* join the union—that if he does not join this established organization and subscribe to its fixed tenets, he shall be branded as a "scab" and shall be

denied all opportunity of earning his living for himself and his family.<sup>1</sup>

Again it has from earliest times been one of the most fundamental principles of common law that men shall not be allowed to conspire to injure other men—that acts which are done through a conspiracy shall be judged on a different basis than when the same acts are done by individuals on the ground that a combination of many men to do an injury always increases the possibility of injury in geometric ratio. Therefore, the law has frequently condemned conspiracies to do acts which, even in themselves are not wrong, but which because they are done by many men, may bring disproportionate injury. Moreover, because of these facts the whole tendency of the law is to become more and more strict in interpreting and condemning conspiracies of all kinds among all classes of society—except by organized labor.

The second fundamental principle on which the modern labor organization is founded is that it is

<sup>1</sup>“With the rapid extension of trade unions, the tendency is towards growth of *compulsory* membership in them and the time will doubtless come when this inclusion will become general.”—JOHN MITCHELL.

This is *demanded by the unions*—that the shop shall be closed against all employees who, not already belonging to the union of their trade, refuse to join it.—*Bridgemen's Magazine*, Dec., 1905. Official organ Iron Workers' Union.

exempted from this otherwise universal law against conspiracy, in that its members are granted the special right and privilege of conspiring to injure their employer irrespective of the extent of that injury.<sup>1</sup>

The American people has tacitly acquiesced in the assumption by organized labor of the first of these special privileges and exemptions of forcing men to join a union, and legally granted labor the second special privilege of exemption from the otherwise universal law against conspiracy—both on exactly the same grounds that it granted the special rights of public lands and bonuses to railroads, perpetual franchises to municipal traction companies, and special exemptions and protection under the tariff to our embryo trusts; namely, because the public believed that these special privileges and exemptions

<sup>1</sup> A leading authority on labor law states the exact legal status of the strike as follows:

"Where organized labor is concerned, the right to combine to inflict an injury by withholding labor and inducing others to withhold their labor has been freely granted for over seventy-five years. It has never been questioned where the injury inflicted by the withholding of labor was incident to a controversy over wages, hours, and working conditions. The injury done in support of such a controversy is held to be lawful and the combination inflicting the injury is, *through this special limitation of the idea of conspiracy*, not in contemplation of law a conspiracy. The law, however, is not so clear where the purpose of the combination is to force the employer to deal exclusively with the trade union or to hire or discharge a particular man. And in all but a few cases the combination has been held an unlawful conspiracy when the purpose of inflicting the injury is to

## Make Labor Obey the Law 243

in these special cases would contribute to serve the public's own best good.

But just as railroads, traction companies, and trusts, instead of using the primary special privileges and exemptions which the public had granted them for its own good, along normal lines to serve the public interest, they merely used these primary special privileges and exemptions as a basis and excuse for obtaining or assuming more and more special privileges and exemptions, and developing further and further outside all the restrictions of ordinary law till their whole system became both lawless and opposed to the public good; so has organized labor used its primary special privileges and exemptions in exactly the same way, and to exactly the same end.

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compel someone to violate a contract or to do something which he has neither power nor right to do. Thus it seems that a combination of workmen to inflict an injury is, in law, a conspiracy or not a conspiracy according to the purpose which the workmen have in inflicting the injury. Thus workers are shielded by judge-made law, which they so bitterly condemn, in any degree of injury which they choose to or can inflict by withholding labor, no matter how absurd their demands, if only it appear that they are unsatisfied as to their wages, hours, or working conditions. This is unquestionably the reason why strikers, irrespective of their real motives usually assign the motive of bettering wages, hours, or working conditions."

According to technical legal definition therefor the right to strike is regarded as a "special limitation to the idea of conspiracy" rather than as an "exemption from the law of conspiracy." The author, however, for reasons which are developed in the last chapter, prefers the simple phraseology of basic fact to that of fine technical discriminations and legal fictions.

## 244      The High Cost of Strikes

For beginning with its primary special privilege and exemption which has enabled it to force other workers to join its particular organization and subscribe to its particular theories in order to earn their living at their trade, organized labor has persistently insisted on exercising more and greater special privileges, many of which are both utterly un-American and unlawful, and which have been one of the biggest factors in building up its tremendous monopoly power, not only over the worker, but against the public. As a result of this continual assumption of more and more special privileges entirely outside of all general custom and law, the labor monopoly of to-day not only forces the worker to join its organization and subscribe to its theories—it not merely prescribes the wages he shall receive and the hours he shall work but it prescribes the kind of trade he may learn, how long he must take to learn it, the kind of work he must do, what employer he may work for, and what employer he may not work for,—even though he is out of a job and his family in want. No matter how much his family may need money, he is denied the right of working harder and making more money. Frequently in spite of his ambition and ability he is prevented from taking any advantage of opportunities for advancement. And he is always likely to be called out on strike and

forced to lose all of his wages for weeks and sometimes months, even though this may be entirely against his own interests and desires and frequently in spite of the fact that he and a big majority of his fellow-workers, because of their own interests and beliefs in the merits of the case, have voted against the strike.<sup>1</sup>

Again, beginning with its second fundamental special privilege—that of being especially exempted from ordinary law against conspiracy—organized labor has also persistently insisted on exercising more and more rights that are against the law as applied to all other classes of Americans, and where this continued to be impossible, of forcing through the adoption of special laws and statutes which particularly exempt it from such laws. For organized labor to-day in addition to being the only class exempted from the law against conspiracy—in that it is permitted to conspire against its employer—has assumed

<sup>1</sup> "You know what the usual standard of the (union) employee is in our day. It is to give as little as he may for his wages. Labor is standardized by the trade unions and this is the standard to which it is made to conform. No one is suffered to do more than the average worker can do; in some trades and handicrafts, no one is suffered to do more than the least skillful of his fellows can do within the hours allotted to a days' labor, and no one may work out of hours at all or volunteer anything beyond the minimum.

I need not point out how economically disastrous such a regulation of labor is. . . . The labor of America is rapidly becoming unprofitable under its present regulation by those who are determined to reduce it to a minimum."—WOODROW WILSON (historian) 1909.



in the use of the sympathetic strike, always condemned by the law, the right to conspire to injure another outside employer with whom the men striking have no relation whatever. It has assumed the right of conspiracy to injure—by forcing his men to conspire against him, an outside employer who may buy goods made by any manufacturer against whom the strikers have a grievance, and finally it has conspired, as in the coal strike, the outlaw railroad strike, and many of the largest and costliest strikes since the war, simply and solely to injure the public.

The primary special privilege granted labor exempting it from the general law against conspiracy to the extent of permitting it to conspire against its own employer, offers no shred of legal justification for conspiracies to injure other employers with whom such conspirators have no relation, or for conspiring to injure the public. Yet organized labor has for years brazenly assumed and unscrupulously exercised these utterly unlawful special privileges. Moreover, when the Supreme Court finally in January, 1921,<sup>1</sup> reaffirmed one of these assumed special privileges unlawful, Mr. Gompers, with that naïve sense of injury which is so characteristic of the mind which has grown to consider itself beyond all ordinary

<sup>1</sup> Duplex Printing Press v. Deering 254 U. S.—.

## Make Labor Obey the Law 247

laws, when it is forced to submit to any law, condemned the Supreme Court of the United States as reactionary.

Labor has also, much as the "holding company" did in trust days, taken advantage of certain legal technicalities to keep itself outside of the law as regards responsibility for its acts.

All ordinary individuals or groups of individuals who wield power, handle money, enter into contracts, or exercise other functions that affect other people, must so organize—generally through incorporation—that those whom their actions affect, may know who is responsible for those actions—that those who have a right to know may know how money is used—and in general that the individuals who wield power or commit acts may be made responsible for those acts. Great labor organizations handle immense sums of money, often running into tens of millions of dollars. They often use this money not only absolutely without regard, but absolutely contrary to public interest and often not only absolutely without regard for, but absolutely contrary to, the real interests of the members of their own organizations who contributed it.

All other organizations who enter into contracts must keep those contracts or pay legally assessed damages for breaking them—and if they otherwise

commit acts that injure other parties they must be responsible in damages for their acts. Organized labor enters into contracts, and breaks them without scruple—often with immense loss not only to the other party, but to the public—and otherwise continually commits acts that bring the greatest injury to other parties and the public.

Yet for the very purpose of being able to wield immense sums of money for its own secret and often sinister purposes, and in order not to be forced to divulge to anyone how that money is being used, or to be responsible to anyone for its use—for the very purpose of being able to break its contract with impunity, and of doing other acts that injure other people without being forced to take any responsibility for those acts, organized labor has adopted and insisted on an "association" form of organization which will best contribute to its irresponsibility, has consistently concealed its membership to assure its irresponsibility, has refused to incorporate, has fought every movement towards federal incorporation or licensing or other regulation and has otherwise vigorously insisted on remaining outside the fundamental law of responsibility commensurate with power to which all other classes of individuals or organizations either submit or are forced to submit as a matter of course.

## Make Labor Obey the Law 249

In addition to the special privileges beyond the law as applied to all ordinary people which organized labor has merely assumed and exercised, it has also, largely with the club of the great labor vote, secured the passage of certain statutes specially exempting it from the operation of many other very wise and important laws which all other members of society must obey.

The Sherman-Anti-Trust Law was passed in response to a nation-wide public demand that it be made impossible for any special interests to get such a control, either through ownership or special agreement or through any other means, over our industrial production or the means of distributing it, as would make it possible for such special interests to shut off or curtail or otherwise manipulate that production so as to raise its price or otherwise use it for the benefit of such special interests against the public interest.

But great labor organizations to-day, as has already been shown and emphasized, are doing exactly what the great trusts were attempting to do a generation ago and what the Sherman anti-trust law was passed to prohibit their doing—namely, to get such a monopoly control in different industries as would make it possible for them for their own interest to shut off or curtail supply and thus unfairly raise prices to the public. As a matter of fact, labor or-

ganizations to-day are going far beyond anything any trust ever dreamed of attempting, in that they have established complete monopolies in industries, and are not only artificially for their own interest so shutting off supply as to raise prices, but often so shutting off supply as to force the public for considerable periods to do entirely without many necessities of life.

Yet here again, by methods that have already been described and because neither the public nor the legislators at the time realized the lines along which organized labor was actually developing, the passage of another special statute—the Clayton Act—was forced over specifically exempting organized labor from the operation of the Sherman Law which all other industrial and commercial individuals and organizations are forced to obey. And it is unquestionably this very particular exemption, placing organized labor entirely outside the operation of our perhaps most necessary and valuable protective law, which has been the biggest factor in making possible the immense and sinister power which such great labor monopolies as the United Mine Workers' Union have and have exercised not only over all industry but over all the people.

Moreover, organized labor has not only been built up on special exemptions of law and special privileges

## Make Labor Obey the Law 251

which no other class enjoys; it has not only continually assumed and exercised more and more special privileges and exemptions outside the law and often definitely against the law; it has not only taken advantage of certain technicalities and omissions of the law to maintain a type of organization which cannot be made responsible for its acts before the law<sup>1</sup>; it has not only used the club of the great labor vote to force over legislation granting it still further special privileges and exemptions from all ordinary law; but its leaders have continually and openly advocated defiance of the law.

The right to conspire together to injure their own employer through a strike is granted as a special privilege to labor but the law prohibits labor, as it prohibits everybody else, from conspiring to injure outside third parties. When a Federal Court enjoined such a conspiracy by labor, John Mitchell in a public speech to the workers said:

<sup>1</sup> Just as the present volume goes to press announcement is made that the American Federation of Labor, with headquarters in Washington, is to build up an immense fund for "educational and defensive purposes," to be used in strengthening the labor party in general and also for putting it in the foremost ranks of the financial institutions of the country.

To do this it has been decided to open a \$100,000,000 trust that will receive on deposit the savings of union men throughout the country. Doing this as a trust will *exempt it from Federal and state bank regulations and from any taxes other than imposed upon an individual.*



"I shall as one American preserve my liberty and the liberty of *my people* [meaning his own interpretation of those liberties] even against the usurpation of Federal judiciaries."

And Mr. Gompers under similar conditions publicly said:

"I desire to be clearly understood that when any court undertakes without warrant of law [meaning his own interpretation of law] by the injunctive process to deprive me of my personal rights [meaning his own interpretation of those rights] . . . I shall have no hesitancy in asserting and exercising those rights."

Again, labor leaders have continually and openly preached the general principle of disregard and defiance by labor of the forces of law and government. President Garrison of the Railroad Conductors' Union publicly said:

"If you complain that 400,000 men [merely one great labor monopoly] 'held up' the government, what will 8,000,000 of them do, if they can to 'hold up' the government?"

But not content with preaching defiance of the laws in particular cases, or general defiance of the laws and government, labor leaders openly declare

## Make Labor Obey the Law 253

the actual right of great labor monopolies to function outside of all ordinary law as a law unto themselves.

A labor union *oath of membership* reads,

"My fidelity to the union shall in no sense be interfered with by any allegiance that I may or may hereafter owe to any other organization, social, political or religious, secret or otherwise."

which obviously includes and is interpreted to include the laws and the government.

Frank Morrison, Secretary of the American Federation of Labor, in a carefully prepared public statement made in July, 1920, says:

"The trade unions should be permitted to function without interference by any of these agencies [the courts and the legislature]. . . . There can be no question in modern industry which cannot be determined quickly and satisfactorily through the trade union philosophy."

Finally organized labor has constantly used threat and intimidation to prevent or nullify every effort or proposed effort to bring labor within the law. The standard threat which organized labor holds over the head of every elected judge to use the labor vote to defeat him for reelection if he shall render, irrespective of the merits of the case, any decision against

labor, is well known. The threats of organized labor and later the strenuous attempts of organized labor to defeat Governor Coolidge because he refused in the police strike to yield to organized labor by turning over the city of Boston to lawlessness, is notorious. But what the American people perhaps do not but should know, is the fact that by threats directed through the local labor organizations at home and pressure brought by the powerful labor lobby at Washington, the Congress of the United States has for years been so intimidated that every appropriation made to the department of justice for the prosecution of suits under the anti-trust since 1914 has carried the express proviso that no part of such appropriation can be used to bring such suits against labor organizations.

A generation ago the whole nation became aroused over the alliance between the capitalistic trust and the corrupt politician. What the public to-day needs to be aroused to, is the *domination* of the labor trust over the *intimidated* politician.

When the great trusts and other "plutocratic" monopolies, through their far less costly and extreme infringement of the rights of all the people, finally aroused and focused public attention on the necessity of finding some remedy against the trust evil, American common sense saw at once that the cause of the

evil was preëminently "special privilege" and the development through clever organization manipulation of a system that was largely outside the law as ordinarily applied. American common sense also saw that the simple obvious remedy against the trust evil was to withdraw such special privileges and exemptions and to reaffirm the general and basic common law principles against monopoly, conspiracy in restraint of trade, and other forms of unfair competition in terms so specific and sweeping as to bring every ingenious form of capitalistic monopoly within the law and force it to obey the law.

In exactly the same way the simple and obvious remedy against the strike evil and against the great labor monopolies, which are founded on special legal and social privilege, and have been built up on special exemptions from many ordinary principles and laws and which are chiefly responsible for the strike evil, is to withdraw as far as may be necessary or desirable those special privileges and exemptions, and otherwise bring organized labor at least much more nearly under the operation of the law as it is applied to other Americans.

## CHAPTER XX

### AT THE BAR OF PUBLIC OPINION

ORGANIZED labor is to-day functioning outside the law in four principal particulars:

*First:* Not content with its special exemption from the law of conspiracy, which permits the workers to conspire against their own employer, organized labor is assuming and exercising the right of the sympathetic strike, the secondary boycott, the right to conspire to injure anyone it regards as unfriendly, and finally the right to strike merely to injure or coerce the public, all in open and flagrant violation of the law.

*Second:* Taking advantage of certain legal technicalities and through other means, organized labor insists on maintaining a form of organization which practically exempts it from legal responsibility for its acts and contracts.

*Third:* Organized labor openly preaches class consciousness, class interests irrespective of national interests, and separate class rights superior to the rights of the people as a whole. Organized labor is

founded and has developed on, the practice of forcing workers to join its class organization and subscribe to its special class theories, and through its long appeal to public sympathy for the worker has built up a widespread and deep-rooted public acquiescence in such practice. As a result of its being able continually to force more and more workers to join its separate class organization and subscribe to its separate class theories, organized labor is continually building up a greater and more powerful separate and antagonistic class within the nation, which is more and more obviously inspired by different ideals, which is more and more definitely actuated by different interests, and which more and more brazenly claims the right to be governed by different laws than the rest of the people.

*Fourth:* This great separate class movement by forcing over, through threats and intimidation, exemption for itself from the operation of the anti-trust and other laws has made possible the building up of great labor monopolies with which it dominates many and seeks to dominate all of our great basic industries in order that it may dominate all the rest of the people and force all the rest of the people to recognize its special rights as a special privileged class apart.<sup>1</sup>

<sup>1</sup> The English Coal strike is being called just as the present volume is going to press. Cable dispatches quote the miners as specifically



## 258      The High Cost of Strikes

That strikes, and most other present labor evils, are chiefly due to organized labor's insistence on operating outside the law is so obvious to every clear and broad-minded thinker on the labor problem—it is so equally obvious that the logical remedy for these evils is to bring labor within the law—that most of the widely advocated plans which seek to remedy the strike and other labor evils are unanimous in seeking to do this on the fundamental proposition of withdrawing at least some of labor's special privileges and exemptions—of bringing labor at least more nearly within the law.

Where these various plans differ is in their judgment as to which specific special privilege or exemption should be withdrawn from organized labor or as to what special law, or general principle of law, labor should be forced to obey in order to accomplish a

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declaring: "Unless we are allowed to levy tribute as we would, we shall make the mines valueless, even though in so doing we destroy our own livelihoods, shut down every British factory and force millions to starve or flee to other places of the earth."

Frank Hodges, secretary of the Miners' Federation has specifically boasted: "If we go down to defeat the Nation will go with us" upon which statement the *New York Tribune* comments editorially as follows: "All of us, if there is not to be a return to Stone Age conditions of life, must find ways to uproot the idea that association with an industry gives one the right to control its fruits exactly as he pleases. Under the leadership of modern radicalism selfish minorities have developed a technique of mastery which must be countered by a new technique of majority rule."

maximum of relief for industry and the public and at the same time leave labor itself the maximum protection for its legitimate rights and interests.

One of the most simple and logical plans which has yet been brought to public attention, and one which commands a large following of very able thinkers on the labor problem, is that which seeks to minimize the strike evil and do away with the labor trouble by withdrawing from labor its present special privilege of practical exemption from legal responsibility for its acts. Labor to-day enjoys this special privilege by maintaining its organizations as "voluntary associations" which type of organization, because of present legal technicalities, cannot be sued at law for damages, unless every individual member of the association is personally made a defendant. As the members of a labor organization frequently number tens and even hundreds of thousands and are generally scattered through all parts of the country, it is obviously practically impossible to so name each member as a defendant and therefore to sue the association at all.

The means through which it is sought to withdraw from labor this practical exemption from responsibility before the law, is the enactment in the various States of a law to the effect that all voluntary associations may be brought into court and made

responsible for their acts at law in the same way as a corporation is brought into court and made responsible for its acts, by serving the association in its common name and making service of process on any officer.

Now it is to be remembered that the law permits workers to conspire together to strike for higher wages or shorter hours or to attempt to force other demands on their own employers even though such strike may bring serious damage to the employer. Therefore if such laws were passed, making labor responsible at law for its acts, employers could, nevertheless, not sue their own labor for damages caused by such strikes. Thus such a law would in no sense take away from workers the use of the strike weapon for advancing their own legitimate interests, of even their illegitimate interests, against their own employer. Such a law would, however, make workers responsible at law for breach of their contract—just as every other individual and organization already is—and it would make labor liable in damages for its illegitimate and unlawful strikes and its many other widely practiced acts which are obviously unfair or unlawful.

On the face of it such a law would seem to promise to go very far toward stopping such practices just as the fear of the law has gone very far toward

stopping similar unfair or unlawful practices in other relations of life. Such an assumption, however, overlooks many of the psychological and practical facts which are at the basis of the whole present labor trouble.

There already are adequate laws which make it easily possible to sue labor organizations for damages for its unfair or illegal act in ten States, including New York.<sup>1</sup> But employers so seldom care or dare to avail themselves of these laws that they have little practical value in actually remedying the strike or other evils of the present labor situation for either employer or public. For instance one of the ablest authorities on labor law in the country has stated recently that the labor conditions brought out by the Lockwood investigation had long been known to those close to the local labor situation and that the employers had been advised that legal relief could be had against many of the most unbearable conditions if the employers would fight the case. But knowing well the many long and strong arms of the labor

<sup>1</sup> The Statutes of New York, Connecticut, New Jersey, Kentucky, Michigan, California, Ohio, Montana, Rhode Island, and Maryland already have provisions by which voluntary associations may be sued at law; though in some States, as in New York for instance, the suit must be brought against the president or treasurer as representative of the association, so that if these two officers by temporarily leaving the State, or otherwise, can avoid service the suit cannot be brought.

octopus, the employers had feared to make the fight and it was only when public opinion became thoroughly aroused, through the Lockwood investigation, that even a beginning was made to relieve both the employers and the people from the strangle hold of this one instance of labor-monopoly lawlessness.

Moreover, it has been the history of the labor movement in America, at least as regards bringing general labor practices within the law, that mere legal victories have not only been futile but Pyrrhian—that they have not only not stopped the development of irresponsible, monopolistic, and unscrupulously self-interested labor power, but have unquestionably actually contributed to labor's development along this line and outside the law.

Employers have won conspicuous legal victories against labor lawlessness in the Danbury Hatters' Case, the Toledo Telephone Case, the Arkansas Coal Case, the Duplex Printing Press Case, and in many other similar litigations. But these very defeats for labor chauvinism have only served to furnish additional and especially convincing ammunition for the labor leader who has always argued that labor must seek what it wants, not through the ordinary processes of law and government, but through the building up of a special class power expressed in the organized labor monopoly which can dominate in-

## At the Bar of Public Opinion 263

dustury and through the threat of the strike, force the law and the government to yield it what it wants.<sup>1</sup>

There is no question that such laws as exist, which make organized labor responsible for its illegitimate and unlawful acts, have, in the few cases where they have been evoked, been of great value to the employer and in certain cases of great value to the public in preventing mere labor lawlessness from wrecking the employers' business or from continuing to deprive the public of public necessities. No fair-minded man but must admit that the mere legal technicalities which organized labor uses to evade responsibility before the law, should be so remedied that it is at least possible to keep labor from breaking its written contracts or committing other illegitimate or illegal acts with impunity. But all the circumstances surrounding the modern labor situation—the practical facts that employers and public officials, unless forced to it as a last resort, are entirely unwilling

<sup>1</sup>In the Danbury Hatters' Case the Supreme Court declared labor's action unlawful and granted damages to the employers. These damages could easily have been paid by the union which called the strike and whose leaders were responsible for the conduct of the strike, by an assessment of about two dollars a member. The union, however, refused to pay the damages and allowed them to be assessed against the comparatively few union members who had property obviously for the very purpose of forcing these men to become martyrs to the labor cause whose fate could be used by organized labor propaganda to intensify labor antagonism to the law.



to seek such relief at law as they now can get for themselves or the public through fear of the many long and strong and often hidden arms of the labor octopus—the fact that every legal victory against labor lawlessness has merely been used by labor leaders as an argument for an increased labor lawlessness, only serves to demonstrate further the fact that has already been emphasized, and which neither the lawyer nor the industrial leader can afford to overlook, namely; that the modern labor problem, including the strike problem, is not primarily a legal problem as such, or an industrial problem as such, but it is fundamentally a national social problem which, because of the special circumstance surrounding it, cannot only be adequately solved as a national social problem by crystallized public opinion.

In other words, just as a generation ago the small competitor who was discriminated against by secret rebates, by price manipulation, and by other methods of unfair competition, had little adequate legal remedy and feared to use such legal remedy as he did have against the great trusts and railroad systems, so that it was necessary for the public itself to defend not only the small competitor but public interests; so in the same way and for practically parallel reasons, there is to-day little hope of any adequate basic solution for the strike or labor problem as it affects

## At the Bar of Public Opinion 265

the general average employer and the public, except through public action or at least coöperative action supported by strong public opinion.

Because of the very obvious parallel between our great labor monopolies of to-day and the trusts of a generation ago; because our labor monopolies of to-day are infringing public right by shutting off the supply and thus raising the price of the public's necessities of life, in exactly the same way and to a much greater degree than the trusts did a generation ago; and because through its experience with the trusts the public is particularly familiar with this method of procedure, perhaps the most obvious, simple, and from many points of view the most practical move to bring labor within the law, is to prosecute the great labor monopolies under the Sherman Anti-Trust Law.

It has long been generally thought that the Clayton Act exempted Labor from the operation of the Sherman Law. But in January, 1921, in the Duplex Printing Press Case the Supreme Court declared that the Clayton Act did not exempt labor organizations from responsibility for damages for acts in unreasonable restraint of trade of commodities moving in interstate commerce. Whether or not the Supreme Court would also hold that the Clayton Act is not a bar to the dissolution of labor

monopolies under the Sherman Anti-Trust Act has not been determined. But in any event the mere repeal of the Clayton Act would at once make possible the dissolution of the great coal union monopoly which the Supreme Court has already called a "*Conspiracy in unreasonable restraint of trade*" and which has, and may at any time again that suits its own convenience, shut off the entire production of coal from the American people. It would mean that another outlaw railroad strike, with its slow paralyzing of traffic in all parts of the country could be made absolutely impossible.<sup>1</sup>

Moreover such a dissolution would in no way interfere with the normal or legitimate functioning of trade unionism for it would merely mean that labor organizations would be reduced to a size commensurate with their normal functions and requirements which would be determined by a court on the merits of each individual case, just as was the practice in the dissolution of our great capitalistic monopolies.

As it has been applied by the courts in actual

<sup>1</sup> To decide that the Clayton Act is not a bar to dissolution of labor monopolies, the court would have to hold Section 6 of the Clayton Act unconstitutional on the ground that it is class legislation or give it a narrow construction. The repeal of the labor sections of the Clayton Act itself, whose supposed force has already been half destroyed by the Duplex Printing Press Case, would of course make available without question a surer and quicker way of breaking down the power of such labor monopolies.

practice the Sherman Anti-Trust Law has protected the public against monopoly and the evils of monopoly control in any industry, so far as great capitalistic monopolies are concerned, but it has not only not interfered with legitimate business operations, but has in the long run helped rather than hindered the very type of organization against which it was directed and which at first fought it most bitterly.

The Sherman Anti-Trust Law would undoubtedly have the same effect if applied to the great monopoly labor organizations to-day; and not only would the public gain tremendously by being protected from the great nation-wide strikes that paralyze whole industries, but the labor organizations themselves would soon develop a healthier growth, which would benefit the average worker as much as it would the public.

The necessity, however, for strong public opinion before any such remedy can be hoped for, has been demonstrated by the fact that although the Supreme Court has already declared certain of our great labor monopolies to be "conspiracies in unreasonable restraint of trade" Congress has not only refused to take the initiative in providing for the prosecution of such monopolies but has so yielded to organized labor intimidation that it has publicly directed the Department of Justice not to bring any such suits.

## 268      The High Cost of Strikes

In the industries where radicalism has had its biggest hold and where the employers could obviously not allow it to get an organized hold and in other industries where especially skilled labor is required, what is called the "Open Shop Policy" as distinct from the "Closed Shop" or organized labor policy, has long been rigidly insisted on by the employers. This Open Shop Policy has also existed as a matter of course in many other industries or sections which labor leaders have not had the time or ability to "organize."

After the whole country's very realistic and expensive experience following the war as to the effect of industrial domination by organized labor, a widespread movement towards a general Open Shop Policy began to be agitated in the beginning of 1920, which was generally supported not only by employers but by business men of all kinds who were sufficiently in touch with industry to realize the actual condition of the last few years.

The Open Shop Policy merely means a refusal by employers to recognize labor claim to the "special privilege" already referred to of being allowed to force all workers to join the established union and support the fixed organized-labor policy in order to be allowed to work at their trade. The means, of course, by which this special privilege is disallowed

is the very simple one of employing any worker and paying him wages whether he belongs to the union or not. The Open Shop Policy thus means that any man can work where he wants to, at the trade he wants to, and in general without the annoying and often heavily handicapping restrictions already emphasized, which organized labor in many instances imposes on him. Moreover, the Open Shop makes no restrictions on any workers joining any union or on the organization of a union by all the workers. It in no way limits the right or the opportunity of any of the workers to bargain collectively with their employer or to strike if they think it necessary to protect their rights. But it does remove from the workers the necessity so frequent under the labor-monopoly policy, of being forced to strike for causes in which they themselves have no direct interest. On its face therefore the Open Shop seems utterly fair and American.

The argument against the Open Shop advanced not only by the very personally interested leaders of organized labor but echoed by a large proportion of undoubtedly perfectly sincere average union members is twofold:

*First:* That the Open Shop is merely a cloak to cover an attack on unionism through a refusal to employ union members, or through the employment



of union members only on condition they will drop out of the union, or through some other discrimination against them. It is a fundamental principle of the Open Shop Policy that it shall not so discriminate. Whether or not this principle is lived up to depends, of course, on the honesty of the individual employer, and there is every reason to believe that the average employer to-day, even if not sometimes in the past, is keen minded enough to see that unfair discrimination against union men, far from relieving industry from present labor-monopoly domination, will only give organized labor a weapon with which to more effectually reestablish that domination. It is therefore to be hoped that the influence of employers in general as well as of public opinion will be strongly brought to bear on any individual employer who does attempt thus to discriminate.<sup>1</sup>

*Second:* Organized labor has always loudly claimed, and the average laborer unquestionably believes, that strong union organization has been

<sup>1</sup> "Of course, while the public recognizes the right of many men to combine their dollars under a single control to purchase the labor of many men, it will recognize the right of those many men to combine their labor power under single leadership to bargain for those dollars. Of course, if the public is called upon to condemn a policy which excludes from their trade workmen who do not enter such combinations, it will also condemn a policy which excludes workmen who do enter such combinations. If the public calls for the open shop, it will mean but one kind of shop—a shop in which there is *no discrimination*."—*Law and Labor*.

chiefly, if not entirely, responsible for the wage increases and the shorter working hours that all labor now enjoys. That the basic reason which has made high wages and shorter hours possible has been increased efficiency in production, and that organized labor has been frequently actually a handicap to such advancement through its mistaken efforts to decrease production has already been emphasized. But it has also been pointed out that organized labor's constant preaching and fighting for increased wages and shorter hours has unquestionably been a big factor in obtaining their share of the profits of increased production efficiency for the workers themselves. As regards more modern industrial history, however, it has been pointed out and should again be emphasized that the new standard of big-minded industrial leadership has made the necessity of constant fighting by the workers for a full fair share in the prosperity of industry more and more unnecessary. Also public opinion to-day as never before is convinced of the social desirability of good pay and reasonable hours. There is no question therefore that a general Open Shop Policy in no sense contemplates or threatens any sacrifice of the workers' past advances or any unfair limitation of reasonable future advances.

Particularly in view of these facts and particularly also until honest unionism has purged itself of the

radical influences which are either forcing its leaders, or offering its leaders the excuse, for making unionism the mere tool of illegitimately furthering individual or class interests against the legitimate interests of the employer and the public—until honest unionism shall suggest, and do what it can to effect, some more satisfactory means of protecting the employer and the public against the extreme danger and cost which the unrestricted use of the strike weapon in the hands of unscrupulous or chauvinistic unionism is subjecting both employer and public, it is difficult to see how public opinion can be expected to do otherwise than approve of the employer for acting on the most logical and ready-to-hand means he has for protecting himself and American industry in general.

As a matter of fact employers, Manufacturers' Associations, and Chambers of Commerce who are back of the present drive against the labor monopoly and the strike evil through the Open Shop Movement unquestionably feel that they have public opinion on their side. Moreover, they are unquestionably right about this—up to a certain point.

There is every evidence that public opinion is to-day against labor and on the side of the employer as it has never been before. The basis of this condition of public opinion, however—and this distinction must be carefully kept in mind—is not that public

opinion has become hostile to labor because it has become favorable to the employer, but it has become favorable to the employer because it has become hostile to labor.

In a large measure the labor problem in the past has consisted, or seemed to consist, of a question of the best good of the few, as represented by the employers, as against the best good of the many, as represented by labor. When any question involves, or seems to involve, such a proposition American public opinion has unfailingly been in favor of the best good of the many. Moreover there is every reason to believe that in so far as the labor or any other problem of the future shall constitute a choice between the best good of the few or of the many, public opinion in America will always be in favor of the best good of the many.

In the present circumstances public opinion has in no sense changed its innate point of view as regards the best good of the many against the few, but rather it has come to see that organized labor has forced the labor situation to a point where, in the question of the best good of the many against the few, organized labor itself now constitutes the few and the many consists of all industry—including a large percentage of the workers themselves—and all the public.

Detroit, Michigan, has for years been an Open Shop town and the Open Shop principle has here become part of the popular industrial philosophy of the community. Under this policy better wages have been paid, workmen have been more prosperous, there have been practically no labor troubles, and the growth and prosperity of the city have been remarkable. To the people of Detroit, therefore, whether employer, laborer, or public, the Open Shop policy represents, through long and intimate experience with its actual workings, the best good of the whole community. With such a public point of view the Open Shop offers a sound basis on which labor relations can be built with confidence.

For years the Pacific coast was generally referred to as the Labor Union Paradise, and by the same token it frequently represented the opposite of Paradise to employers, non-union workers, and the public. After years of costly labor wars—chiefly because of fights between rival unions which included arson, bomb outrages, and murder—public opinion in Los Angeles years ago became so incensed at organized labor that it insisted on the Open Shop and later passed an amendment to the city charter—which can only be revoked by a two-thirds vote of all the people—making Los Angeles an Open Shop town by law. For over a decade of the Open Shop, labor

troubles have been practically unknown, new factories have moved in, wages are high, workmen prosperous and in general actual results have far exceeded all the reasonable expectations of those who hoped for most from the Open Shop law. Because the Open Shop policy in Los Angeles has thus been brought about by a popular revolt against the tyranny of organized labor and is based on a conviction born of conscious experience by all the people, that it represents the best good of the whole community, the Open Shop policy in this instance again represents an adequate foundation upon which to seek to build better and better labor relations.<sup>1</sup>

Scores of other individual American industrial communities, because of their own past troubles with organized labor or because of the satisfactory results which other communities have achieved through the Open Shop have, within the last year or two, also declared for the Open Shop. In proportion as such a change is based on local public opinion's conscious hostility to organized labor methods and particularly

<sup>1</sup> "In Open Shop Los Angeles the number of wage earners in the period from 1899-1914, increased from 5173 to 31,352—an increase of practically 600%. . . . In the same period . . . in closed shop San Francisco where the industrial life of the city has been absolutely dominated by organized labor, there was a decrease (notwithstanding a great increase in the population on the whole Pacific coast) in the number of wage earners from 32,555 to 31,758, in spite of the great natural advantages which San Francisco had."—WALTER DREW.



as the Open Shop shall in actual practice result in a definite reduction of labor trouble and in increasing labor's contentment and prosperity and the prosperity of the community—in other words in proportion as public opinion shall consciously accept the Open Shop Policy as constituting a labor relation which represents the best good of the whole community, to that extent does the Open Shop offer a hopeful basis for a readjustment of labor relations.

Such local movements, however, even though they may become very widespread and permanently established locally through a crystallized local public conviction in their favor, do not, and in themselves cannot hope to offer any adequate solution of many of the broader and more vital phases of the strike and labor-monopoly problem. For the great labor monopoly that dominates our coal industry, our railroads, that seeks to dominate our steel industry, that temporarily disrupted our clothing industry, cannot be reached or affected by scattered local public opinion or the consequent local adoption of the Open Shop in even a great majority of our industrial centers. Only national public opinion can affect and reach our national strike problem and our great national labor monopolies and furnish any adequate foundation for a change in the basic labor relationships in these fields.

## At the Bar of Public Opinion 277

Now national public opinion consists of 5,000,000 or more very closely organized labor unionists to whom the Open Shop is anathema—of some 7,000-000 farm families for whom industrial problems as such have little conscious interest,<sup>1</sup> and of many other millions in thousands of essentially non-industrial towns who together distinctly outnumber the population of essentially industrial communities.

In other words, national public opinion consists of two great industrially experienced and industrially interested groups, one of which, organized labor, vigorously opposes the Open Shop, the other of which, unorganized labor and the unorganized public of industrial communities, is at least potentially favorable to the Open Shop. In addition to these thus opposed elements is a very much larger third element which had had little or no personal experience with strikes or other labor problems, and which neither has had or can have any first-hand experience as to the actual workings of the Open Shop. Also the effects of the strike evil and the labor problem on this element have been chiefly indirect and

<sup>1</sup> The National Grange (the chief organization representing our national farm interests) in its 1920 convention held in Boston declared definitely for the Open Shop. This however in no sense means that the individual farmer, even though he may approve of the Open Shop movement in a general way, considers that he has any such vital interest in the problem as is necessary to get his active support for concrete national action.

complicated by other factors. Having thus little conscious interest in any mere industrial problem as such, and having little personal consciousness of the need or the sufficiency of the Open Shop as an industrial remedy, this large element going to make up national public opinion will be correspondingly difficult to arouse to an adequate support of the Open Shop movement as a mere industrial program. This difficulty is of course exaggerated by the counter arguments of organized labor.

Moreover in spite of its supposed practical and material mindedness American public opinion as a whole has almost invariably been aroused over any proposition only in proportion as its appeal is broadly human or social or based on broad fundamental principle.

The Open Shop movement unquestionably offers a basis for labor relationships that is far more American and far more in keeping with American laws and principles than the present organized labor basis of relationship which the American people have largely accepted and taken largely for granted merely on the basis of broad human sympathy. In its modern conception it is fully as advantageous in most particulars and far more advantageous in certain particulars to the average individual worker. It is at least far less susceptible of abuse than a labor

## At the Bar of Public Opinion 279

relationship based on industrial domination by labor monopolies. In Detroit, Los Angeles, and many other communities, the Open Shop has a record of proved practical success in higher wages, more content prosperous workers and a minimum of labor trouble and unrest and consequently a maximum of industrial and community peace and prosperity. Moreover to-day the Open Shop movement has the backing of a far greater number of our ablest practical industrial, business, and economic leaders than any other movement which seeks to correct the glaring and costly evils of our present labor relationships based on a domination by labor monopoly.

But admitting all this there is nevertheless strong reason to believe that the Open Shop policy as a mere industrial movement—as a mere attack on the *evils* of *organized* labor—is too susceptible of interpretation by casual public opinion as an attack on labor itself, also and particularly the Open Shop policy as it is at present preached and understood lacks a sufficiently broad social appeal to arouse general public opinion to the point of becoming convinced that it should definitely give up its widespread and deep-rooted past conviction as to the necessary basis for labor relationships and definitely commit itself to this particular different basis.

Yet unless and until public opinion does con-

sciously decide to condemn the old and to definitely commit itself to some different basis of labor relationship, every victory for the Open Shop will only serve as an added incentive to labor, as soon as present public hostility is allayed, to revive the old public point of view by new talk of labor oppression and start a new campaign of industrial warfare to regain its power.

For years the slavery question was fought on a basis of law and on the basis of certain of the limited individual questions involved. But when Abraham Lincoln reexpressed the question as a whole on the basic axiomatic truth that a "house divided against itself cannot stand"—that "no nation can continue to exist half slave and half free," he put the whole question in terms that the nation could and did get together and fight and win on.

For a generation the trust question was fought piecemeal, on industrial and legal grounds, with the trusts constantly winning, till Roosevelt stated the problem as a whole as a national social issue between "private greed and public good." To such an issue the American people immediately rallied, and on such an issue even the Supreme Court at once swept aside the carefully built-up legal technicalities of fifty years and reversed even its own former decisions as to the law.

## At the Bar of Public Opinion 281

There is no more basic or more axiomatic principle of Americanism than that every American has an "inalienable right to life, liberty, and the pursuit of happiness." The right to earn his living subject only to the laws and to his own energy and ability is an axiomatic corollary, because it is absolutely necessary to the right to "life, liberty, and the pursuit of happiness."

But due to special developments and conditions in our modern economic and social life, hundreds of thousands of Americans are to-day, without any reason in law and irrespective of their own energy or ability, facing this situation. On the one hand great artificial combinations of fellow-workers are refusing them the right to work, unless they will, irrespective of their own interests and desires, join certain organizations and subscribe to certain fixed beliefs.<sup>2</sup> On the other hand great opposing combinations of employers are sometimes likewise refusing them the right to work unless they will *refuse*, irrespective of their own interests and desires, to join these organizations and subscribe to these beliefs.

The proposition therefore that: *No man shall be*

<sup>2</sup> In many thousands of cases workers are being deprived of the right to work at their trade even where they are willing to belong to the union because, on account of personal prejudice or infraction of arbitrary rules, they are denied admission to or expelled from these labor monopolies. Such workers are absolutely remediless.



*denied or refused the right to accept employment, nor shall his employment be terminated or otherwise interfered with, merely because of his being or becoming, or because of his failure to be or become, a member of any trade union or any similar organization merely constitutes the definite application of an axiomatic American principle to a special condition of modern life which affects millions of Americans.<sup>1</sup>*

As a fundamental principle of American labor relationships this can, and, in proportion as its significance to the labor problem is appreciated it must, command the assent of every impartial American.

Such a basis of labor relationship would do all that its advocates claim the Open Shop does in that it would make it impossible for the great labor monopolies to force workers to join and pay dues to the union and be subject to their restrictive rules and

<sup>1</sup> Labor leaders to whom this proposition has been submitted have not made any direct criticism of what is so obviously plain justice and plain Americanism. They have, however, stated that the Supreme Court decision in the Kansas and Adair cases would act as a bar to all remedy along such lines. High legal authority, however, holds the contrary in the following opinion which was rendered on the legal soundness of this principle as here expressed:

"In the case of *Adair v. United States*, 208 U. S. 161, and again in *Coppage v. Kansas*, 236 U. S. 1, the Supreme Court held that legislation intended to make it a crime to discharge or refuse to employ a man because of his membership in a trade union was unconstitutional, in that it violated the guarantees of freedom of contract. It is laid down in these cases that an employer may discharge an employee for any or no reason; and the employer has the

## At the Bar of Public Opinion 283

regulations where these, as is frequently the case, handicap the workers' earnings and advancement. It would make it far more difficult if not impossible for the union to force an artificial limitation of production. It would make it impossible for the great labor monopolies to force workers in any given industry or shop to go on strike against their own interests, or otherwise arbitrarily interfere with the peaceful and satisfactory relations between individual employers and their men. For such a principle is of course merely the Open Shop principle itself expressed in more broad, fundamental, and social terms and with a double edge for the protection of both worker and employer.

Because of this double edge such a basic principle of relationships, particularly if it were established by law—and for this reason it would be to labor's interest to have it established by law—would remove labor's only

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right to refuse to employ a union man, just as union men have the right to refuse to work where nonunion men are employed. However, a law, such as here suggested *prohibiting discrimination in employment against either union or nonunion men* is free from the objection that it limits freedom of contract in the interest of a particular class; and if it is made to appear that such a law is necessary for the preservation of industrial peace and freedom, such a law may no doubt be found to be within the police powers of the state under which the legislature can limit freedom of contract for the preservation of the public health, morals, safety or general welfare. The history of legislation limiting hours of labor, minimum wage, payment of wages in lawful money, etc., is in point."

admitted objection to the Open Shop in that it would guarantee the workers against any discrimination merely because they joined, belonged to, or formed a trade union. It would merely mean that the trade union would have to seek its membership on the basis of actual service instead of on the basis of force.

From the public point of view such a basis of labor relationship would by these very facts go far towards curtailing the power of great industry-wide labor monopolies whose ambitions for greater power and whose feuds to control that power have been the cause of most of our most costly strikes.

Such a principle of course offers only the fundamental basis of labor relationship—it is of course only the beginning of an attempt towards solution of the strike and general labor problem as they have developed under organized labor domination. Public interest may require in addition the dissolution of certain great labor monopolies which threaten that interest. Both labor's interest and public interest may require a minimum living wage law—above which workers will be paid in proportion to their ability and ambition—to take the place of the present union system of protecting the poorer worker by handicapping the better. Public and labor and employer interest unquestionably demand provisions for making both labor and employer live up to their contracts,

## At the Bar of Public Opinion 285

for in all human relations this is imperative to peaceful relations. Many other things must be done, and continue to be done for better and better industrial harmony and justice. But first of all labor relations require an adequate foundation—a sound basic principle to build on.

The present organized labor principle of industrial relationships was born out of eastern European class warfare and the longer and wider it has been applied to American labor relations the more it has made for class consciousness, class privilege, class antagonism, and similar anti-Americanism.

Organized labor's fundamental principle of industrial relationships is to-day before the bar of public opinion. It is indicted not only for the great strike epidemic which cost the whole country billions of dollars and every family in the country their share of this loss, but chiefly on the grounds that that strike epidemic was merely one symptom of a cancerous foreign growth with which that principle has inoculated our economic and social vitals and which from its very nature it constantly works to exaggerate and spread.

American industrial progress requires that that principle shall no longer be permitted to vitiate and threaten American industrial and social life—that instead American public opinion shall definitely

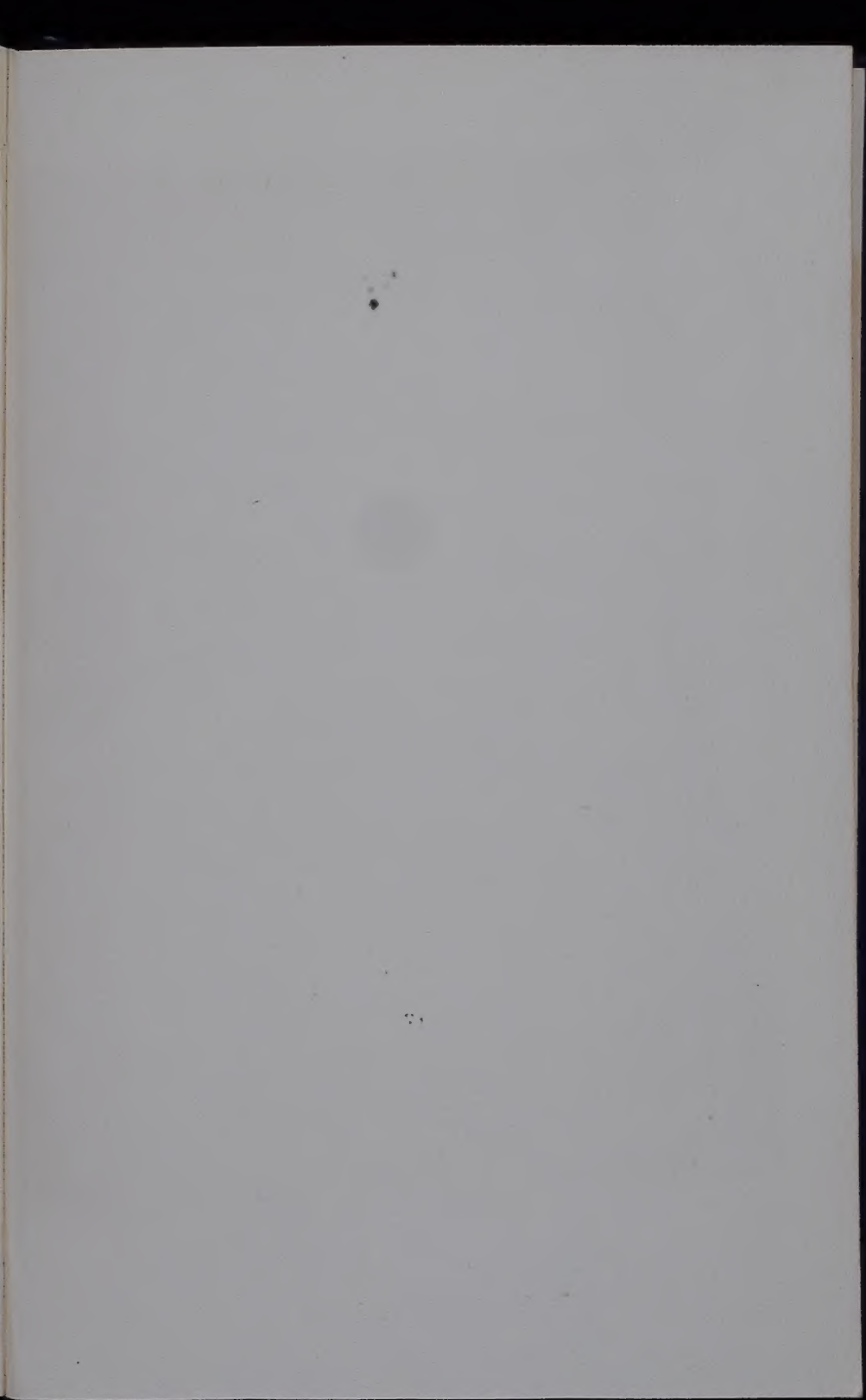
decree some other basic principle for American industrial relations which, as regards the worker and the employer and the public, shall be 100% American.

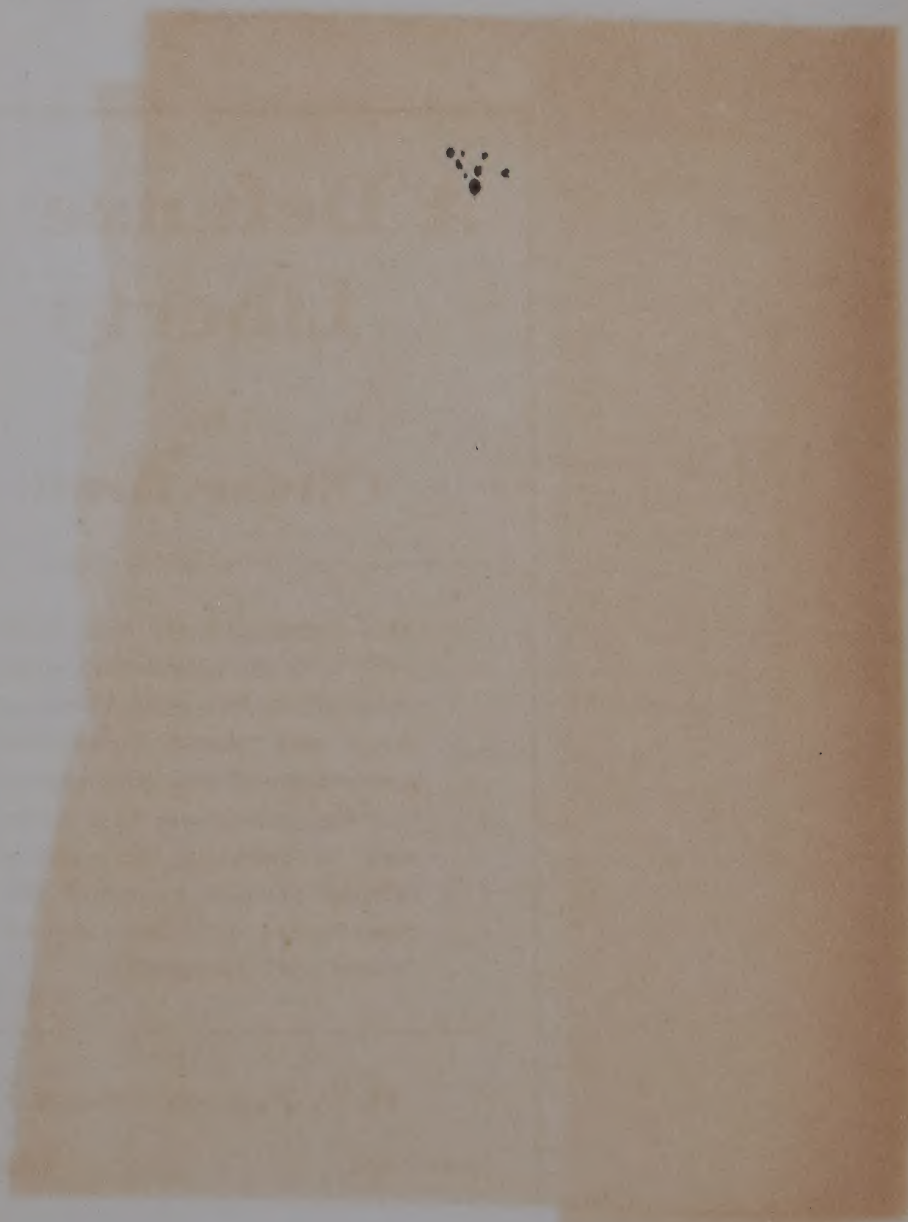
The future of American economic and social development, whether America is to be all American or a hyphenated polyglot, depends on the verdict.

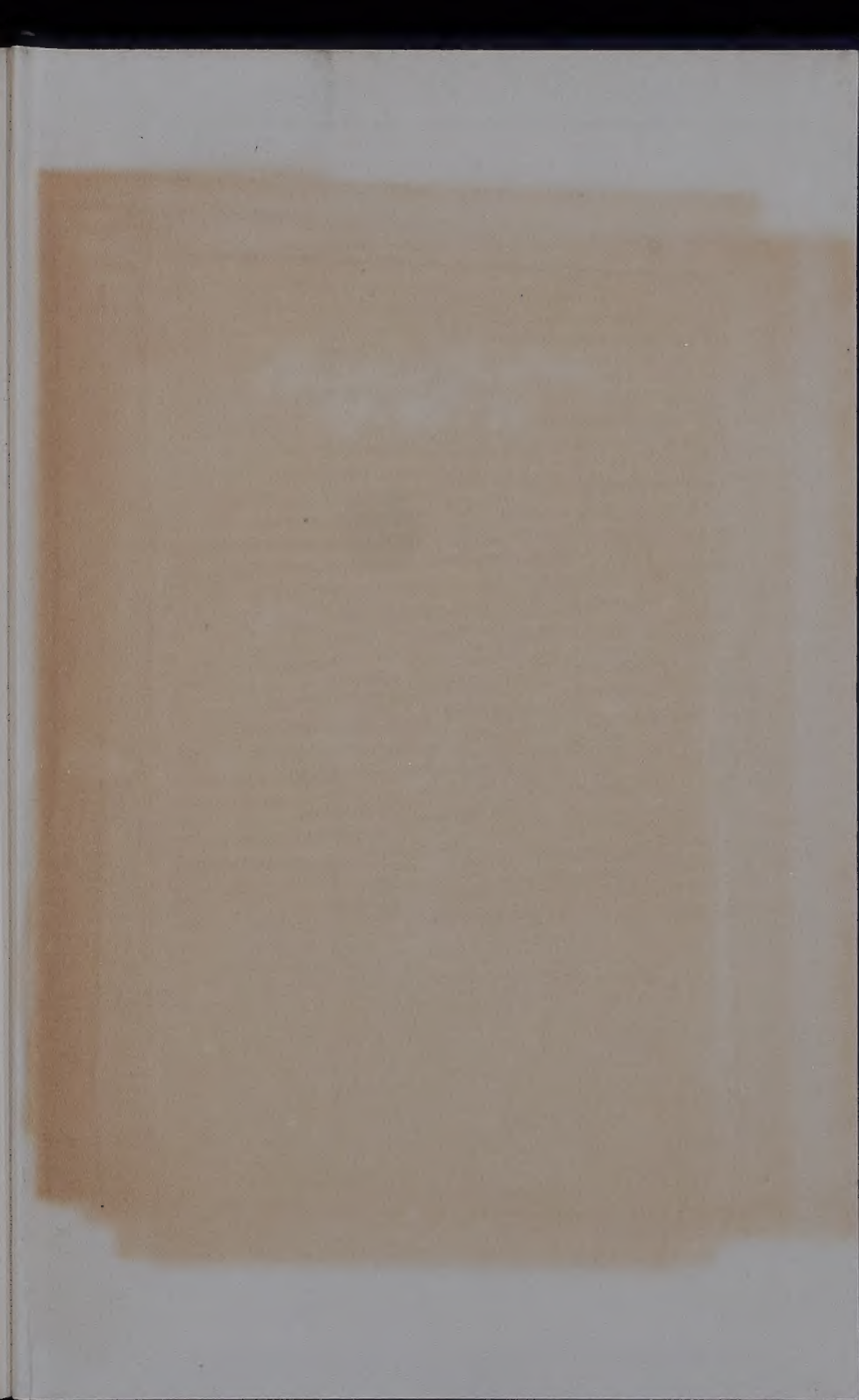














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